

COMPANY REGISTRATION NUMBER 07638756

**Caroline Chisholm School
Company Limited by Guarantee
Financial Statements
31 August 2013**

Caroline Chisholm School Company Limited by Guarantee

Financial Statements

Year ended 31 August 2013

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Caroline Chisholm School Company Limited by Guarantee

Reference and Administrative Details

| | |
|------------------------------------|---|
| Company Name | Caroline Chisholm School |
| Company Registration Number | 07638756 |
| Principal Office | Wooldale Centre For Learning Wooldale Road Wootton Northampton England NN4 6TP |
| Governors | Mr D Atkinson Mrs C Sullivan* Mr S McKay* Mrs S Baldwin Mrs M Batson Mrs J Blaize* Ms N Blunt Mrs L Browett* Mr S Brown Mrs J Croasdale Mr T Downing* Mrs R Fitzgerald Miss S Harris (resigned 31 August 2013) Mrs I Nyamatore Dr C Rees* Mrs S Robson Ms J Shoreland (resigned 24 September 2012) Ms P Srinivasan Miss A Crawte* Mr S Kofi Addai (appointed 1 June 2013) Mrs T Macrae (appointed 1 June 2013) Mr P Quelch (appointed 1 June 2013) |

* Members of the Finance and PFI Committee

Caroline Chisholm School Company Limited by Guarantee

Reference and Administrative Details *(continued)*

Senior Management Team

Mr T Downing - Principal
Mr J Cowell - Vice Principal
Mrs K Patterson - Vice Principal
Mrs S Rose - Vice Principal
Mrs J Harnden - Director of Finance

Mrs C Dodds - Assistant Principal
Mrs K Towers - Assistant Principal
Mr P Ashton - Assistant Principal
Mrs T Fleming - Assistant Principal
Mr M Lopez - Assistant Principal
Miss J Wright - Assistant Principal
Mrs J Casswell – Assistant Principal
Mrs L Morgan – Assistant Principal

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers

Lloyds TSB
2 George Row
Northampton
NN1 1DJ

Solicitors

Winkworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report

Year ended 31 August 2013

The Governors, who are also directors for the purposes of company law, present their report and the financial statements of the charitable company for the period from 1 September 2012 to 31 August 2013.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on pages 1 to 2 of the financial statements.

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 are responsible for the charitable activities of Caroline Chisholm School and are also the directors of the charitable company for the purposes of Company Law. The charitable company is known as Caroline Chisholm School.

Details of the governors who served throughout the year except as noted are included in the reference and administrative details on page 1.

Members' Liability

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

Governors' Indemnities

The Academy has purchased insurance to cover governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Details of the costs can be found in note 12 to the accounts.

Principal Activities

The Academy Trust's principal activity is the provision of education for the benefit of the inhabitants of Wootton, Wootton Fields, Grange Park and the surrounding area by establishing, maintaining and developing a school offering a broad and balanced curriculum.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Method of Recruitment and Appointment or Election of Governors

The board of governors is responsible for appointing community governors and seeking sponsor governors and for ensuring that parent governors and staff governors are elected by a secret ballot. Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The governing body elect the chair and vice chair to serve for a period of three years but they are eligible for re-election at the meeting at which they retire. Governors committees elect their own chairs.

Policies and Procedures Adopted for the Induction and Training of Governors

All new governors are invited to attend a 2 hour induction meeting with the chair and/or vice chair of the governing body. All new governors are allocated a "buddy" who takes them on a tour of the school and accompanies them to the first full governing body meeting. All governors receive an introductory information pack which includes a copy of the governors' guide to the law CD, the committee structure and committee terms of reference, the dates of meetings for the academic year, the school development plan and governors' annual objectives and relevant minutes and accounts. Correspondence and minute/agenda circulation is via e-mail and all policies and minutes are posted on the governors' portal of the school website. Hard copies of all documents are kept in the governors' resource cupboard in the school. Governors are strongly encouraged to attend 3 training events during each academic year.

Organisational Structure

The structure consists of the governors, the leadership team and curriculum leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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 Academy, capital expenditure and senior staff appointments.

The senior officers are the principal, three vice principals and the director of finance. These officers 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 officers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the leadership team always contain a governor. Some spending control is devolved to curriculum leaders, with limits above which a senior officer must countersign.

The leadership team includes the senior officers and 8 assistant principals. The leadership team are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Risk Management

The governors have assessed the major risks to which the Academy 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 and safety, bullying 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 (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the governance statement.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Year ended 31 August 2013

Connected Organisations

Caroline Chisholm School continues to work closely with cluster primary schools to support the provision of education to the community of Wootton, Wootton Fields and Grange Park. As part of the Wooldale Centre for Learning the academy works in partnership with both PFI and other users on the site to promote and deliver community activities to adults and children. Caroline Chisholm School is one of 7 schools in the South West Area of Northamptonshire (SWAN); SWAN schools share good practice via effective networking.

Objectives and activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Caroline Chisholm School to provide education for the benefit of the inhabitants of Wootton, Wootton Fields, Grange Park and the surrounding area; by establishing, maintaining and developing a school offering a broad and balanced curriculum. Caroline Chisholm School provides education for pupils of different abilities between the ages of 4 and 19 with an emphasis on business & enterprise.

Objectives, Strategies and Activities

The main objectives of the Academy during the period 1 September 2012 to 31 August 2013 are summarised below:

1. Review of new strategies for KS4 to continue to improve results at GCSE.
2. Implement performance management software (School IP) throughout the school in order to secure the connection between performance in the classroom, progress, performance management and the new teaching standards for teaching staff and to facilitate the annual appraisal system for all support staff.
3. Review of the team review schedule to enable more sharply focused team reviews with a stronger focus on improving classroom practice.
4. Extend cross-phase development of the curriculum with a particular focus on transition from KS2 to 3. Maths, Science and Technology highlighted this year. Included within this is the development of school wide approaches to numeracy, literacy and communication.
5. Research best use of Mobile Technology to aid teaching and learning across all areas of the school.
6. Further development of home - school communications in light of parents' feedback.
7. Review assessment procedures and systems, including reporting to parents. Consult with parents and introduce new procedures during the academic year.
8. Develop the library area, using the increased space to address accommodation issues in school.
9. Establish a vision to promote the benefits of outdoor learning across the 4-19 age phases.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Year ended 31 August 2013

The Academy's main strategy is encompassed in its vision statement which is:

- Be a leading school for the 21st century, providing outstanding education for 4-19 year olds;
- Be a centre for learning for the whole community;
- Establish an ethos of kindness, tolerance and honesty;
- Prepare young people for the world of work and develop their understanding of business and enterprise in a global economy;
- Promote sport, the arts and lifelong learning for all.

Public Benefit

The Academy Trust promotes education for the benefit of the local community of Wootton, Wootton Fields and Grange Park, Northampton and in partnership with the PFI provider offers recreational facilities to a variety of local community groups outside of school hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

Achievements and performance

Primary Phase

- New curriculum introduced into the Foundation Stage. Expectations are much higher but currently no national comparative data is available. 78%+ achieved the Early Learning Goals in all the Prime Areas.
- Exceeded national attainment levels in all areas in Key Stage 1
- Exceeded national attainment levels in all areas in Key Stage 2

GCSE's

- 100% of students achieved 5 A* - G
- 84% of students achieved 5 A* - C
- 78% of students achieved 5 A* - C including English & Maths
- 22 % of students achieved 5 or more A* / A Grades

A Level

- Pass Rate 98%
- Over half of all grades were A* , A or B

The Academy, the Governing Body and the Leadership Team:

- Monitors the quality of teaching and learning via scheduled team reviews.
- Undertakes a rigorous review of attainment using RAISEONLINE and Fischer Family Trust Data to measure pupil progress

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Going Concern

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

Key Financial Performance Indicators

The Academy Trust uses a number of key financial performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set. These include:

- Staffing costs are monitored as a percentage of total income. For the year ended 31 August 2013 staffing costs amounted to 73% of total income (target 74%) (71% against a target of 72% for the period ending 31 August 2012).
- PFI costs are monitored as a percentage of total income. For the year ended 31 August 2013 PFI costs amounted to 9% of total income (target 11%) (10% against target of 11% for the period ending 31 August 2012)
- The Academy Trust also monitors its operating surplus. For the year ended 31 August 2013 the operating surplus (excluding restricted fixed assets funds) equated to £3,309.

The Academy Trust also uses a number of non-financial key performance indicators to monitor its performance. These include:

- **Key stage performance targets** (see above)
- **Student attendance rates** - for the academic year ended 31 August 2013, student attendance was 95.3% (95% for the period ending 31 August 2012).
- **Staff turnover** - for the academic year ended 31 August 2013 teaching staff turnover was 7% (8% - period ending 31 August 2012) and support staff 25% (11% - period ending 31 August 2012). Teaching staff that left included 4 who moved abroad and 4 whose fixed term contract ended. Of support staff leavers, 2 moved abroad, 4 came to the end of fixed term contracts and 3 moved on to take up teacher training.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ending 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the EFA and other funding bodies. In accordance with the charities statement of recommended practice, 'Accounting and Reporting 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.

During the year ended 31 August 2013, total revenue expenditure of £8,946,258 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £3,309.

At 31 August 2013 the net book value of fixed assets was £33,743,362 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Academy support staff are eligible for membership of the local government pension scheme. The Academy's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme, and as a result the Academy's balance sheet shows a net liability of £586,000.

Expenditure to support the key objectives of the Academy is specifically allocated as part of the annual financial planning process.

Financial and Risk Management Objectives and Policies

The governors believe that its risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Academy Trust.

Staffing and curriculum expenditure are planned to meet the needs of the school development plan and to reflect known increases in student numbers.

The Academy supports a sustainable IT infrastructure incorporating adequate spending on maintenance and replacement of obsolete equipment as well as allocating development funding in this area.

PFI revenue expenditure planning includes appropriate indexation in line with contract parameters. PFI capital expenditure planning incorporates provision for associated increases in future lifecycle and maintenance revenue costs.

The Academy Trust does not have significant trade debtors as invoiced income is a minor ancillary activity.

Cash flow is monitored daily by the Academy Trust and budgets presented to the governing body consider cash flow and liquidity in detail. The Academy has built up cash reserves which enable it to plan for future capital projects.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Principal Risks and Uncertainties

The Academy development planning process takes account of social and economic factors that may impact on the Academy's ability to achieve its objectives. The planning process results in the production of the school development plan which is costed and informs current and future years financial planning.

- **DfE and EFA Legislation**

The Academy will keep abreast of any changes brought about by legislation and plan to incorporate them within the financial plan.

- **Potential Funding Cuts In Future Years**

Financial planning incorporates flexibilities and scenario planning to reflect varying funding outcomes which may be determined by:

- Removal of LACSEG
- SEN Funding changes
- National Funding Formula

The Academy will continue to set a balanced budget based on government income, generated income and agreed efficiencies.

- **Potential claw backs of GAG or other grants**

- - GAG - The Academy is aware of criteria for potential claw back
- - ACMF (Academy Capital Maintenance Fund) - The Academy is aware of the timetable for submissions of monitoring and completion certificates associated to this project specific grant.

- **Changing Demographics In Catchment Area**

The Academy will review its admissions policy annually as required by the code and review the published admission number (PAN) if there is demographic change.

- **LGPS Deficit**

Financial plans consider fluctuations in the employer contributions that may be required in addressing the deficit in the long term. Actual changes to employer contributions may be made in response to the outcome of an actuarial valuation of the scheme.

- **PFI Contract Risk**

The Academy is represented as part of the special purpose vehicle group (SPV) which meets monthly to monitor contract operation. The Academy may invoke penalty clauses for non-availability should non-performance become a limiting factor to effective teaching and learning.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Year ended 31 August 2013

Reserves Policy

The governors review the reserve levels of Caroline Chisholm School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Currently the level of restricted income funds received by the Academy impacts on the amount of free reserves held. The Academy's free reserves are the resources that can be made available to spend for any or all of the Academy's purposes once it has met its commitments and covered other designated expenditure.

Demands on the Academy's restricted general reserves will vary over the coming years. The Academy's policy is that the appropriate level of restricted reserves should be at least £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and grant receipts and to provide a cushion to deal with unexpected operational expenses. In 2013/14 there is a need to maintain a reserve of £800,000, excluding the pension deficit, (£500,000 + £300,000) to address the key objectives of the school improvement plan.

The pension reserve is in deficit due to the Academy's share of the LGPS liabilities exceeding its share of the assets. This is incorporated into the Academy's plans as shown above.

Financial Position

The Academy held fund balances at 31 August 2013 of £34,208,848 comprising £33,843,363 of restricted fixed asset funds, £914,165 restricted general reserves, £37,320 of unrestricted general reserves and a pension reserve deficit of £586,000.

Investment Policy

The governing body has approved a treasury management statement as part of the financial procedures manual, which documents the Academy Trust's investment policy.

The Academy's investment policy is to invest surplus cash reserves with high street banks. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

Caroline Chisholm School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Year ended 31 August 2013

Plans for future periods

Caroline Chisholm School will continue to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its students are secure in their next steps on leaving the Academy with regard to employment or continuing in training or formal education. Additional resources in the form of Pupil Premium funding will continue to be targeted towards closing the gap for disadvantaged students and vulnerable groups.

Caroline Chisholm School strives to be at the forefront of innovation in education and governors and senior leaders will continue to evaluate and review the curriculum to ensure that it reflects and meets the changing needs of our pupils. In 2013/14 the Academy is planning to develop the use of mobile technologies across the age range. This will require a multi-faceted approach to ensure sustainability.

Outside the classroom the Academy's focus is to bring together a programme of existing and new outdoor initiatives that will extend and enrich curriculum provision across the age range.

During 2013/14 the Academy will be opening its brand new Learning Resources Centre. This represents the final stage of a significant development project started in 2013.

In our third year as an Academy Caroline Chisholm School will continue to develop effective partnerships with local schools and the wider community via our business & enterprise specialism and the expertise of Academy staff.

Funds held as Custodian

The Academy does not act as custodian or hold funds on behalf of others.

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.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by order of the members of the board of governors on and signed on their behalf by:

Mr D Atkinson
Chair

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Caroline Chisholm School Company Limited by Guarantee

Governance Statement

Year ended 31 August 2013

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Caroline Chisholm 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 which 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 financial controls conform to 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 Caroline Chisholm School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

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

| Governor | Date Appointed | Date Resigned | Meetings Attended | Total Possible Meetings in Period |
|------------------|-------------------|------------------|----------------------|---|
| Mr D Atkinson | 11/01/2005 | | 5 | 5 |
| Mrs S Baldwin | 11/01/2005 | | 1 | 5 |
| Mrs M Batson | 20/06/2012 | | 4 | 5 |
| Mrs J Blaize | 03/02/2009 | | 4 | 5 |
| Ms N Blunt | 04/12/2006 | | 2 | 5 |
| Mrs L Browett | 12/12/2011 | | 3 | 5 |
| Mr S Brown | 12/12/2011 | | 4 | 5 |
| Mrs J Croasdale | 21/04/2005 | | 2 | 5 |
| Mr T Downing | 11/01/2005 | | 5 | 5 |
| Mrs R Fitzgerald | 12/12/2011 | | 3 | 5 |
| Miss S Harris | 03/11/2011 | 31/08/2013 | 5 | 5 |
| Mr S McKay | 08/10/2010 | | 1 | 5 |
| Mrs I Nyamatore | 30/11/2009 | | 5 | 5 |
| Dr C Rees | 02/07/2008 | | 4 | 5 |
| Mrs S Robson | 12/12/2011 | | 5 | 5 |
| Ms J Shoreland | 24/09/2007 | 24/09/2012 | 1 | 1 |
| Ms P Strinivasan | 15/07/2008 | | 2 | 5 |
| Miss A Crawte | 20/10/2011 | | 4 | 5 |
| Mrs C Sullivan | 11/01/2005 | | 3 | 5 |
| Mr S Kofi Addai | 01/06/2013 | | 1 | 1 |
| Mrs T Macrae | 01/06/2013 | | 1 | 1 |
| Mr P Quelch | 01/06/2012 | | 1 | 1 |

Caroline Chisholm School Company Limited by Guarantee

Governance Statement *(continued)*

Year ended 31 August 2013

The Finance and PFI Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

| Governor | Meetings Attended | Meetings in Period |
|----------------|----------------------|-----------------------|
| Mr S McKay | 3 | 5 |
| Mrs J Blaize | 3 | 5 |
| Mr J Cowell | 4 | 5 |
| Mr T Downing | 5 | 5 |
| Mrs J Harnden | 5 | 5 |
| Dr C Rees | 1 | 5 |
| Miss A Crawte | 4 | 5 |
| Mrs C Sullivan | 5 | 5 |
| Mrs L Browett | 3 | 5 |

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 on-going internal controls are designed to efficiently, effectively and economically manage the risks to the achievement of Academy Trust policies, aims and objectives. These controls have been established having identified and prioritised the risks, evaluated the likelihood of those risks being realised and the impact should they be realised. The system of internal control has been in place in Caroline Chisholm School for the year ended 31 August 2013 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body's view is that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that had been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

Caroline Chisholm School Company Limited by Guarantee

Governance Statement (*continued*)

Year ended 31 August 2013

The Risk and Control Framework

The Academy Trust's system of internal financial control is based upon 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 PFI committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed MHA MacIntyre Hudson to act as an external reviewer role by undertaking testing on a termly basis. The external reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis the external reviewer reports to the governing body 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 external reviewer;
- The work of the external auditor;
- The financial management and governance self assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and PFI 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 11 December 2013 and signed on its behalf by:

Mr D Atkinson
Chair

Mr T Downing
Accounting Officer

Caroline Chisholm School Company Limited by Guarantee

Statement on Regularity, Propriety and Compliance

Year ended 31 August 2013

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

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

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

Mr T Downing
Accounting Officer

Caroline Chisholm School Company Limited by Guarantee

Statement of Governors' Responsibilities

Year ended 31 August 2013

Responsibilities of the Governors

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

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

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

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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.....and signed on its behalf by:

Mr D Atkinson
Chair

Caroline Chisholm School Company Limited by Guarantee

Independent Auditor's Report to the Members of Caroline Chisholm School

Year ended 31 August 2013

We have audited the financial statements of Caroline Chisholm School for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Academy trust'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 trust'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 trust and the Academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 16), the 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 Academy trust'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' Annual 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 Academy Trust's affairs as at 31 August 2013 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

Caroline Chisholm School Company Limited by Guarantee

Independent Auditor's Report to the Members of Caroline Chisholm School (*continued*)

Year ended 31 August 2013

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 the which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Peterbridge House
The Lakes
Northampton
NN4 7HB

Senior Statutory Auditor
ELAINE OLSON-WILLIAMS FCCA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

Caroline Chisholm School Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to Caroline Chisholm School and the Education Funding Agency

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 17 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Caroline Chisholm School during the year 1 September 2012 to 31 August 2013 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 Caroline Chisholm School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Caroline Chisholm 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 Caroline Chisholm School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Caroline Chisholm School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Caroline Chisholm School's funding agreement with the Secretary of State for Education dated August 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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. 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 year 1 September 2012 to 31 August 2013 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 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing of the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration.
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties

Caroline Chisholm School Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to Caroline Chisholm School and
the Education Funding Agency (*continued*)

Year ended 31 August 2013

- testing of a sample of grants received and other income streams
- evaluating the internal control procedure and reporting lines, and testing as appropriate
- and making appropriate enquiries of the Accounting Officer

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MACINTYRE HUDSON
Chartered Accountants
Peterbridge House
The Lakes
Northampton
NN4 7HB

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Caroline Chisholm School Company Limited by Guarantee

Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

| | Note | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds Year to 31 Aug 13 £ | Total Funds Period from 18 May 11 to 31 Aug 12 £ |
|---|------|-------------------------|-----------------------|-----------------------------------|------------------------------------|---|
| Incoming resources | | | | | | |
| Incoming resources from generating funds: | | | | | | |
| Voluntary income | 2 | 7,611 | 1,259 | – | 8,870 | 51,504 |
| Transfer from Local Authority on conversion | 2 | – | – | – | – | 35,755,538 |
| Activities for generating funds | 3 | 2,069 | 403,397 | – | 405,466 | 313,254 |
| Investment income | 4 | 19,017 | – | – | 19,017 | 16,234 |
| Income from charitable trading activities: | | | | | | |
| Funding for Academy's educational operations | 5 | – | 8,646,511 | 200,000 | 8,846,511 | 8,824,448 |
| Total incoming resources | | 28,697 | 9,051,167 | 200,000 | 9,279,864 | 44,960,978 |
| Resources expended | | | | | | |
| Costs of generating funds: | | | | | | |
| Costs of generating voluntary income | | – | 5,274 | – | 5,274 | 162,381 |
| Transfer from Local Authority on conversion | | – | – | – | – | 344,000 |
| Charitable activities | | | | | | |
| Charitable expenditure: | 7 | 7,611 | 8,846,490 | 683,213 | 9,537,314 | 9,629,091 |
| Governance costs | 8 | – | 86,881 | – | 86,881 | 158,053 |
| Total resources expended | | 7,611 | 8,938,645 | 683,213 | 9,629,469 | 10,293,525 |
| Net (outgoing)/incoming resources before transfers | 9 | 21,086 | 112,522 | (483,213) | (349,605) | 34,667,453 |
| Gross transfers between funds | | (50,881) | (79,418) | 130,299 | – | – |
| Net (expenditure)/income for the year | | (29,795) | 33,104 | (352,914) | (349,605) | 34,667,453 |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | | – | 31,000 | – | 31,000 | (140,000) |
| Net movement in funds | | (29,795) | 64,104 | (352,914) | (318,605) | 34,527,453 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 1 September 2012 | | 67,115 | 264,061 | 34,196,277 | 34,527,453 | – |
| Total funds carried forward at 31 August 2013 | | £37,320 | £328,165 | £33,843,363 | £34,208,848 | £34,527,453 |

All of the Academy trust'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 accounting policies and notes on pages 24 to 44 form part of these financial statements.

Caroline Chisholm School Company Limited by Guarantee

Company Registration Number: 07638756

Balance Sheet

31 August 2013

| | Note | 2013 £ | 2012 £ |
|---|------|---------------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 33,743,362 | 34,182,179 |
| Current assets | | | |
| Debtors | 14 | 225,991 | 55,041 |
| Cash at bank and in hand | | 1,369,842 | 1,140,422 |
| | | <u>1,595,833</u> | <u>1,195,463</u> |
| Creditors: amounts falling due within one year | 15 | <u>(544,347)</u> | <u>(308,189)</u> |
| Net current assets | | 1,051,486 | 887,274 |
| Total assets less current liabilities | | 34,794,848 | 35,069,453 |
| Net assets excluding pension liability | | 34,794,848 | 35,069,453 |
| Defined benefit pension scheme liability | 16 | (586,000) | (542,000) |
| Net assets including pension liability | | <u>£34,208,848</u> | <u>£34,527,453</u> |
| Funds of the Academy trust: | 18 | | |
| Restricted income funds: | | | |
| Fixed asset fund | | 33,843,363 | 34,196,277 |
| General funds | | 914,165 | 806,061 |
| Pension reserve | 16 | <u>(586,000)</u> | <u>(542,000)</u> |
| Total restricted income funds | | 34,171,528 | 34,460,338 |
| Unrestricted income funds: | | | |
| General fund | | <u>37,320</u> | <u>67,115</u> |
| Total funds | | <u>£34,208,848</u> | <u>£34,527,453</u> |

These financial statements were approved by the Governors, and authorised for issue on and are signed on their behalf by:

Mr D Atkinson
Chair

The accounting policies and notes on pages 24 to 44 form part of these financial statements.

Caroline Chisholm School Company Limited by Guarantee

Cash Flow Statement

Year ended 31 August 2013

| | Note | Year to 31 Aug 13 £ | £ | Period from 18 May 11 to 31 Aug 12 £ |
|--|-----------|---------------------------|------------------------|---|
| Net cash inflow from operating activities | 23 | | 254,800 | 305,405 |
| Cash transferred on conversion to Academy Trust | 23 | | | 870,015 |
| Returns on investments and servicing of finance | 24 | | | |
| Interest received | | <u>19,017</u> | | <u>16,234</u> |
| Net cash inflow from returns on investments and servicing of finance | | | 19,017 | 16,234 |
| Capital expenditure | 25 | | (44,397) | <u>(51,232)</u> |
| Increase in cash in the year | | | <u>£229,420</u> | <u>£1,140,422</u> |
| Reconciliation of net cash flow to movement in net funds | | | | |
| | | 1 Sep 12 | Cash flows | 31 Aug 13 |
| | | £ | £ | £ |
| Cash in hand and at bank | | <u>1,140,422</u> | <u>229,420</u> | <u>1,369,842</u> |

The accounting policies and notes on pages 24 to 44 form part of these financial statements.

Caroline Chisholm School Company Limited by Guarantee

Accounting Policies

Year ended 31 August 2013

Basis of accounting

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

Incoming resources

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

Grants receivable

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

Donations

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

Other income

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

Donated Services and Gifts in Kind

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

Caroline Chisholm School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Local Authority and other funding bodies.

Caroline Chisholm School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Assets transferred at inception have been included at the estimated depreciated replacement cost.

Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

Impairment losses are recognised in the Statement of Financial Activities.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------|---|--|
| Fixtures and fittings | - | 10% straight line |
| Motor vehicles | - | 25% straight line |
| Leasehold property | - | 2% straight line (Buildings)/0.8% straight line (Leasehold land) |
| Computer equipment | - | 25% straight line |

Operating lease agreements

Rentals under operating leases are charged on a straight line basis over the lease term.

Caroline Chisholm School Company Limited by Guarantee

Accounting Policies (*continued*)

Year ended 31 August 2013

Pension costs

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 Academy 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. After making appropriate enquiries at the balance sheet date, 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.

Taxation

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

Caroline Chisholm School Company Limited by Guarantee

Accounting Policies *(continued)*

Year ended 31 August 2013

PFI Contract

The buildings used by the Academy were constructed under a Private Finance Initiative (PFI) Contract between Northamptonshire Local Authority and a Private Contractor. The project was completed prior to the School's conversion to Academy status. On conversion, the Academy has entered into a Schools Agreement with the Local Authority which transfers the Local Authority's main obligations under the PFI Contract to the Academy. The PFI Contract is due to end in 2029.

PFI contract payments

The Academy is responsible for the revenue costs of maintaining the facilities. The payments made to the Local Authority in respect of the PFI Contract unitary charge relating to these revenue costs are therefore expensed to the Statement of Financial Activities in the period to which they relate.

Land and buildings

The land and buildings are leased to the Academy by the Local Authority on a long (125 year) lease. As the Academy takes on the risks and rewards associated with the land and buildings, including the long-term maintenance of the property once the PFI Contract has ended, the land and buildings are capitalised as fixed assets on the Academy's balance sheet at valuation using the depreciated replacement cost basis. These assets are then depreciated over the lesser of their useful economic life and the lease period.

Other assets

Other assets under the PFI Contract (for example, equipment and fixtures & fittings provided as part of the PFI Contract facilities) transfer to the Local Authority at the end of the Contract and then to the Academy under the Schools Agreement. The basis of the contract agreement is that at the point of transfer, the assets will be "as new."

The Governors have considered the risks and rewards associated with these other assets, and believe that the Academy does not take on any significant risks in respect of these assets during the PFI Contract term. It has therefore adopted a policy not to record these as assets in its balance sheet until the replacement assets are transferred to it by the Local Authority at the end of the PFI Contract.

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

1. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy trust has not exceeded these limits during the year ended 31 August 2013.

2. Voluntary Income

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| Transfer from Local Authority on conversion | - | - | - | 35,755,538 |
| Donations | 7,611 | 1,259 | 8,870 | 51,504 |
| | <u>£7,611</u> | <u>£1,259</u> | <u>£8,870</u> | <u>£35,807,042</u> |

3. Incoming Resources from Activities for Generating Funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|---------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Music, books and exam recharges | 2,069 | 119,145 | 121,214 | 52,834 |
| Parental contribution | - | 277,436 | 277,436 | 90,942 |
| Lettings income | - | 1,200 | 1,200 | - |
| School fund | - | 1,923 | 1,923 | 169,478 |
| Other income | - | 3,693 | 3,693 | - |
| | <u>£2,069</u> | <u>£403,397</u> | <u>£405,466</u> | <u>£313,254</u> |

4. Investment Income

| | Unrestricted Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|--------------------------|----------------------------|--------------------------|--------------------------|
| Bank interest receivable | 19,017 | 19,017 | 16,234 |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

5. Funding for Academy's Educational Operations

| | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|-------------------------------------|--------------------------|---|--------------------------|--------------------------|
| DfE/EFA grants | | | | |
| General Annual Grant (GAG) (note 1) | 8,100,025 | – | 8,100,025 | 8,183,587 |
| Pupil Premium | 100,283 | – | 100,283 | 33,837 |
| Local authority | 369,839 | – | 369,839 | 547,052 |
| | <u>8,570,147</u> | <u>–</u> | <u>8,570,147</u> | <u>8,764,476</u> |
| Other Government grants | | | | |
| Capital grant | – | 200,000 | 200,000 | 14,098 |
| Other EFA grants | 54,705 | – | 54,705 | 12,454 |
| Other grants | 21,659 | – | 21,659 | 33,420 |
| | <u>76,364</u> | <u>200,000</u> | <u>276,364</u> | <u>59,972</u> |
| | <u>£8,646,511</u> | <u>£200,000</u> | <u>£8,846,511</u> | <u>£8,824,448</u> |

6. Resources Expended

| | Staff costs £ | Premises £ | Other costs £ | Total Funds 2013 £ | Total Funds 2012 £ |
|---|-------------------|-------------------|-------------------|--------------------------|--------------------------|
| Costs of generating voluntary income: | | | | | |
| Transfer from Local Authority on conversion School Fund Expenditure | – | – | 5,274 | 5,274 | 344,000 162,381 |
| | <u>–</u> | <u>–</u> | <u>5,274</u> | <u>5,274</u> | <u>506,381</u> |
| Academy's educational operations: | | | | | |
| Direct costs | 6,170,275 | – | 693,971 | 6,864,246 | 6,986,539 |
| Support Costs | 630,629 | 1,614,922 | 427,517 | 2,673,068 | 2,642,552 |
| | <u>6,800,904</u> | <u>1,614,922</u> | <u>1,121,488</u> | <u>9,537,314</u> | <u>9,629,091</u> |
| Governance costs including allocated support costs | – | – | 86,881 | 86,881 | 158,053 |
| | <u>£6,800,904</u> | <u>£1,614,922</u> | <u>£1,213,645</u> | <u>£9,629,469</u> | <u>£10,293,525</u> |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

7. Academy's Educational Operations

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Fixed Asset Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|--------------------------------------|----------------------------|--------------------------|---|--------------------------|--------------------------|
| <i>Direct costs</i> | | | | | |
| Teaching & educational support staff | - | 6,170,275 | - | 6,170,275 | 6,530,026 |
| Educational supplies | - | 193,738 | - | 193,738 | 195,896 |
| Examination fees | - | 134,030 | - | 134,030 | 130,292 |
| Staff development | - | 42,333 | - | 42,333 | 38,206 |
| Other direct costs | - | 323,870 | - | 323,870 | 92,119 |
| | <u>-</u> | <u>6,864,246</u> | <u>-</u> | <u>6,864,246</u> | <u>6,986,539</u> |
| <i>Allocated support costs</i> | | | | | |
| Support staff costs | - | 630,629 | - | 630,629 | 641,610 |
| Depreciation | - | - | 683,213 | 683,213 | 754,576 |
| Recruitment and support | - | 15,975 | - | 15,975 | 24,616 |
| Maintenance of premises & equipment | - | 155,054 | - | 155,054 | 136,035 |
| PFI payments | - | 856,664 | - | 856,664 | 804,392 |
| Rent & rates | - | 50,523 | - | 50,523 | 46,675 |
| Insurance | - | 38,789 | - | 38,789 | 41,088 |
| Security & transport | - | 115 | - | 115 | 45 |
| Catering | - | 34,749 | - | 34,749 | 27,616 |
| Bank charges | - | 64 | - | 64 | 81 |
| Legal & professional services | - | 116,627 | - | 116,627 | 88,517 |
| Other support costs | 7,611 | 83,055 | - | 90,666 | 77,301 |
| | <u>7,611</u> | <u>1,982,246</u> | <u>683,212</u> | <u>2,673,068</u> | <u>2,642,552</u> |
| | <u><u>£7,611</u></u> | <u><u>£8,846,492</u></u> | <u><u>£683,212</u></u> | <u><u>£9,537,314</u></u> | <u><u>£9,629,091</u></u> |

8. Governance Costs

| | Restricted Funds £ | Total Funds 2013 £ | Total Funds 2012 £ |
|--|--------------------------|--------------------------|--------------------------|
| Audit fees and accountancy fees | 18,130 | 18,130 | 14,820 |
| Legal and professional fees - ongoing costs | 68,751 | 68,751 | 73,505 |
| Legal and professional fees - exceptional costs relating to conversion | - | - | 69,728 |
| | <u><u>£86,881</u></u> | <u><u>£86,881</u></u> | <u><u>£158,053</u></u> |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

9. Net Incoming/(Outgoing) Resources for the Year

This is stated after charging:

| | 2013 £ | 2012 £ |
|-----------------------------|-----------|-----------|
| Staff pension contributions | 819,130 | 839,964 |
| Operating leases – Other | 13,653 | 47,018 |
| - PFI Contract | 593,167 | 596,423 |
| Fees payable to auditor | | |
| Audit services | 8,400 | 8,000 |
| Other services | 9,730 | 6,820 |
| Depreciation | 683,213 | 754,576 |

10. Staff Costs and Emoluments

| | 2013 £ | 2012 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 5,579,507 | 5,885,918 |
| Social security costs | 358,373 | 392,474 |
| Other pension costs | 819,130 | 839,964 |
| | <u>6,757,010</u> | <u>7,118,356</u> |
| Supply teacher costs | 43,894 | 53,280 |
| | <u>£6,800,904</u> | <u>£7,171,636</u> |

Particulars of employees:

| | 2013 | 2012 |
|--|------------|------------|
| The average number of employees during the year, | | |
| Teachers | 113 | 97 |
| Administration and support | 77 | 83 |
| Management | 13 | 12 |
| | <u>203</u> | <u>192</u> |

The number of employees whose emoluments for the year fell within the following bands, were:

| | 2013 | 2012 |
|----------------------|----------|----------|
| £60,000 to £69,999 | 3 | 2 |
| £100,000 to £109,999 | 1 | 1 |
| | <u>4</u> | <u>3</u> |

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £43,611 (2012 - £36,022).

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

11. Governors' Remuneration and Expenses

The Head teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in 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;

| | 2013 | 13 months |
|--------------|------------------|-----------|
| | £ | 2012 |
| | | £ |
| Head teacher | 105k-110k | 115k-120k |
| Governor 1 | 20k-25k | |
| Governor 2 | 25k-30k | |
| Governor 3 | 30k-35k | |

No expenses were paid to governors for the year to 31 August 2013 (2012 - £nil), for their role as a governor.

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 £5,250,000 on any one claim and the cost for the year ended 31 August 2013 was £240. The 2012 cost is included within the total professional indemnity costs which totalled £4,324.

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

13. Tangible Fixed Assets

| | Fixture and fittings £ | Computer equipment £ | Motor Vehicles £ | Leasehold Property £ | Total £ |
|--------------------------|---------------------------|-------------------------|---------------------|-------------------------|--------------------|
| Cost | | | | | |
| At 1 September 2012 | 24,825 | 112,363 | 5,250 | 34,794,317 | 34,936,755 |
| Additions | 4,989 | 16,296 | – | 223,112 | 244,397 |
| At 31 August 2013 | £29,814 | £128,659 | £5,250 | £35,017,429 | £35,181,152 |
| Depreciation | | | | | |
| At 1 September 2012 | 3,547 | 40,436 | 2,625 | 707,968 | 754,576 |
| Charge for the year | 2,483 | 25,909 | 1,313 | 653,509 | 683,214 |
| At 31 August 2013 | £6,030 | £66,345 | £3,938 | £1,361,477 | £1,437,790 |
| Net book value | | | | | |
| At 31 August 2013 | £23,784 | £62,314 | £1,312 | £33,655,952 | £33,743,362 |
| At 31 August 2012 | £21,278 | £71,927 | £2,625 | £34,086,349 | £34,182,179 |

14. Debtors

| | 2013 £ | 2012 £ |
|--------------------------------|-----------------|----------------|
| Trade debtors | 3,405 | 5,471 |
| Other debtors | 1,517 | 3,286 |
| VAT recoverable | 44,648 | 21,772 |
| Prepayments and accrued income | 176,421 | 24,512 |
| | £225,991 | £55,041 |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

15. Creditors: Amounts falling due within one year

| | 2013 £ | 2012 £ |
|------------------------------|-----------------|-----------------|
| Taxation and social security | 123,521 | 120,177 |
| Accruals and deferred income | 420,826 | 188,012 |
| | <u>£544,347</u> | <u>£308,189</u> |

Deferred income

| | 2013 £ | 2012 £ |
|--------------------------------------|-----------------|----------------|
| Deferred income at 1 September 2012 | 59,607 | – |
| Resources deferred in the year | 133,795 | 59,607 |
| Amounts released from previous years | (59,607) | – |
| Deferred income at 31 August 2013 | <u>£133,795</u> | <u>£59,607</u> |

Deferred income relates mainly to grants of £51,095 received in advance and £77,174 of parental contributions in respect of school trips that are due to take place in the next academic year.

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions 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 Northamptonshire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

The Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and Similar Obligations *(continued)*

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.

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.

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and Similar Obligations *(continued)*

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £231,000 (2012 - £221,000), of which employer's contributions totalled £166,000 (2012 - £159,000) and employees' contributions totalled £65,000 (2012 - £62,000). The agreed contribution rates for future years are 23.1 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

| Band | Whole time pay rate | Contribution rate |
|------|----------------------|-------------------|
| 1 | £0 to £13,500 | 5.5% |
| 2 | £13,501 to £21,100 | 5.8% |
| 3 | £21,000 to £34,000 | 6.5% |
| 4 | £34,001 to £43,000 | 6.8% |
| 5 | £43,001 to £60,000 | 8.5% |
| 6 | £60,001 to £85,000 | 9.9% |
| 7 | £85,001 to £100,000 | 10.5% |
| 8 | £100,001 to £150,000 | 11.4% |
| 9 | More than £150,000 | 12.5% |

Principal actuarial assumptions

| | At 31 Aug 2013 | At 31 Aug 2012 |
|--------------------------------------|----------------|----------------|
| | % | % |
| Discount rate | 4.6 | 4.1 |
| Expected return on scheme assets | 5.9 | 4.8 |
| Rate of increase in salaries | 5.1 | 4.5 |
| Rate of increase in pensions payment | 2.8 | 2.2 |

Carolien Chishol School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and similar obligations *(continued)*

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 2013 | At 31 August 2012 |
|----------------------|----------------------------------|-------------------------|
| Retiring today | | |
| Males | 21.4 | 21.4 |
| Females | 23.3 | 23.3 |
| Retiring in 20 years | | |
| Males | 23.4 | 23.4 |
| Females | 25.5 | 25.5 |

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

| | Expected return at 31 Aug 2013 | Fair value at 31 Aug 2013 | Expected return at 31 Aug 2012 | Fair value at 31 Aug 2012 |
|--|---|--------------------------------------|--------------------------------------|------------------------------|
| | % | £ | % | £ |
| Equities | 6.7 | 970,000 | 5.5 | 661,000 |
| Bonds | 3.5 | 239,000 | 3.0 | 220,000 |
| Property | 4.7 | 66,000 | 3.7 | 58,000 |
| Cash | 3.6 | 53,000 | 2.8 | 19,000 |
| Total market value of assets | | 1,328,000 | | 958,000 |
| Present value of scheme liabilities - funded | | (1,914,000) | | (1,500,000) |
| Deficit in the scheme | | £(586,000) | | £(542,000) |

The expected rate of return 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 was £140,000 (2012 - £43,000).

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and Similar Obligations *(continued)*

Amounts recognised in the Statement of Financial Activities

| | 2013 £ | 2012 £ |
|--|-----------------|-----------------|
| Current service cost (net of employee contributions) | 225,000 | 203,000 |
| Total operating charge | £225,000 | £203,000 |

Analysis of pension finance costs

| | 2013 £ | 2012 £ |
|--|------------------|------------------|
| Expected return on pension scheme assets | 51,000 | 52,000 |
| Interest on pension liabilities | (67,000) | (66,000) |
| Pension finance costs | £(16,000) | £(14,000) |

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is £109,000 loss (2012: £140,000 loss).

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.

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

| | 2013 £ | 2012 £ |
|---------------------------------|-------------------|-------------------|
| At 1 September 2012 | 1,500,000 | 1,039,000 |
| Current service cost | 225,000 | 203,000 |
| Interest on pension liabilities | 67,000 | 66,000 |
| Employee contributions | 65,000 | 62,000 |
| Actuarial gain/(loss) | 57,000 | 130,000 |
| At 31 August 2013 | £1,914,000 | £1,500,000 |

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

| | 2013 £ | 2012 £ |
|--|-------------------|-----------------|
| At 1 September 2012 | 958,000 | 695,000 |
| Expected return on pension scheme assets | 51,000 | 52,000 |
| Actuarial gain/loss | 88,000 | (10,000) |
| Employer contributions | 166,000 | 159,000 |
| Employee contributions | 65,000 | 62,000 |
| At 31 August 2013 | £1,328,000 | £958,000 |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

16. Pensions and Similar Obligations *(continued)* Reconciliation of opening and closing deficit:

| | 2013 £ | 2012 £ |
|---|-------------------|-------------------|
| Opening deficit at 1 September / Pension scheme liability transferred | (542,000) | (344,000) |
| Current service cost (net of employee contributions) | (225,000) | (203,000) |
| Employer contributions | 166,000 | 159,000 |
| Other finance income/(costs) | (16,000) | (14,000) |
| Actuarial gain/(loss) | 31,000 | (140,000) |
| Deficit at 31 August | £(586,000) | £(542,000) |

The five year history of experience adjustments is as follows:

| | 2013 £ | 2012 £ |
|---|--------------------|--------------------|
| Present value of defined benefit obligations | (1,914,000) | (1,500,000) |
| Fair value of share of scheme assets | 1,328,000 | 958,000 |
| Deficit in the scheme | £(586,000) | £(542,000) |
| Experience adjustments on share of scheme assets Amount (£) | 88,000 | (10,000) |
| Experience adjustments on scheme liabilities Amount (£'000) | 57,000 | 130,000 |

The estimated value of employer contributions for the year ended 31 August 2014 is £170,000.

17. Commitments under Operating Leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as set out below.

| | 2013 | | 2012 | |
|---------------------------------------|----------------------------|---------------------|----------------------------|---------------------|
| | Land and buildings £ | Other items £ | Land and buildings £ | Other items £ |
| Operating leases which expire: | | | | |
| Within 2 to 5 years | - | 13,653 | - | 13,653 |
| After more than 5 years | 593,167 | - | 596,423 | - |
| | <u>£593,167</u> | <u>£13,653</u> | <u>£596,423</u> | <u>£13,653</u> |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

18. Funds

| | Balance at 1 Sep 2012 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | Transfer £ | Balance at 31 Aug 2013 |
|-------------------------------------|-------------------------------|----------------------------|----------------------------|--------------------------|-----------------|------------------------------|
| Restricted general funds | | | | | | |
| General annual grant (GAG) | – | 8,100,025 | (7,968,290) | – | (45,951) | 85,784 |
| Other DfE/EFA grants | 19,281 | 546,486 | (528,404) | – | (34,348) | 3,015 |
| Defined benefit pension scheme | (542,000) | – | (75,000) | 31,000 | – | (586,000) |
| Donations | 50,000 | 1,259 | – | – | (50,000) | 1,259 |
| Transfers from Local Authority | 729,683 | – | – | – | – | 729,683 |
| School fund | 7,097 | 1,923 | (5,274) | – | – | 3,746 |
| Other Miscellaneous restricted | – | 401,474 | (361,677) | – | 50,881 | 90,678 |
| | <u>264,061</u> | <u>9,051,167</u> | <u>(8,938,645)</u> | <u>31,000</u> | <u>(79,418)</u> | <u>328,165</u> |
| Restricted fixed asset funds | | | | | | |
| DfE/EFA capital grant | 14,098 | 200,000 | – | – | 34,348 | 248,446 |
| Capital expenditure from GAG | 43,365 | – | (14,167) | – | 45,951 | 75,149 |
| Private sector capital sponsorship | 34,138,814 | – | (669,046) | – | – | 33,469,768 |
| Other Capital Grants | – | – | – | – | 50,000 | 50,000 |
| | <u>34,196,277</u> | <u>200,000</u> | <u>(683,213)</u> | <u>–</u> | <u>130,299</u> | <u>33,843,363</u> |
| Total restricted funds | <u>34,460,338</u> | <u>9,251,167</u> | <u>(9,621,858)</u> | <u>31,000</u> | <u>50,881</u> | <u>34,171,528</u> |
| Unrestricted funds | | | | | | |
| General unrestricted funds | 67,115 | 28,697 | (7,611) | – | (50,881) | 37,320 |
| Total unrestricted funds | <u>67,115</u> | <u>28,697</u> | <u>(7,611)</u> | <u>–</u> | <u>(50,881)</u> | <u>37,320</u> |
| Total funds | <u>£34,527,453</u> | <u>£9,279,864</u> | <u>£(9,629,469)</u> | <u>£31,000</u> | <u>–</u> | <u>£34,208,848</u> |

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the EFA.

Restricted fixed assets funds amounting to £33,843,363 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the Academy's facilities.

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

19. Analysis of Net Assets Between Funds

Fund balances at 31 August 2013 are represented by:

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset fund £ | Total £ |
|--------------------------|----------------------------|----------------------------------|--|--------------------|
| Tangible fixed assets | – | – | 33,743,362 | 33,743,362 |
| Current assets | 37,320 | 1,458,512 | 100,001 | 1,595,833 |
| Current liabilities | – | (544,347) | – | (544,347) |
| Pension scheme liability | – | (586,000) | – | (586,000) |
| | <u>£37,320</u> | <u>£328,165</u> | <u>£33,843,363</u> | <u>£34,208,848</u> |

20. Related Party Transactions

Owing to the nature of the Academy trust's operations and the composition of the board of Governor being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee 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 in the period of account. (2012 - £nil).

21. Ultimate Controlling Party

There is no ultimate controlling party.

22. Company Limited by Guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

23. Reconciliation of Net (Outgoing)/Incoming Resources Before Transfers to Net Cash Inflow from Operating Activities

| | 2013 £ | 2012 £ |
|---|------------------------|------------------------|
| Net incoming resources before transfers | (349,604) | 34,667,453 |
| Less: fixed assets transferred from Local Authority on conversion | – | (34,885,523) |
| Depreciation | 683,214 | 754,576 |
| Receipts from DFE for capital grants | (200,000) | – |
| Pension transferred from Local Authority on conversion | – | 344,000 |
| Cash transferred from Local Authority on conversion | – | (870,015) |
| Interest receivable | (19,017) | (16,234) |
| FRS 17 Pension cost less contributions payable | 59,000 | 44,000 |
| FRS 17 pension finance income | 16,000 | 14,000 |
| Increase in debtors | (170,950) | (55,041) |
| Increase in creditors | 236,158 | 308,189 |
| Net cash inflow from operating activities | <u>£254,800</u> | <u>£305,405</u> |

Caroline Chisholm School Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

24. Returns on investments and servicing of finance

| | 2013 £ | 2012 £ |
|-------------------|---------------|---------------|
| Interest received | <u>19,017</u> | <u>16,234</u> |

25. Analysis of Changes in Net Funds

| | 2013 £ | 2012 £ |
|---|-------------------------|-------------------------|
| Receipts from DFE for capital grants | 200,000 | - |
| Purchase of Tangible Fixed Assets | <u>(244,397)</u> | <u>(51,232)</u> |
| Net cash outflow from capital expenditure and financial investment | <u>£(44,397)</u> | <u>£(51,232)</u> |

26. Analysis of Changes in Net Funds

| | 1 Sep 12 £ | Cash flows £ | 31 Aug 13 £ |
|--------------------------|---------------|-----------------|----------------|
| Cash in Hand and at Bank | 1,140,422 | 229,420 | 1,369,842 |

27. Capital Commitments

Amounts committed to at 31st August 2013 but not provided for in the accounts totalled £55,778. (2012 - £nil).

28. 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.