

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

Company Registration Number: 08451827 (England and Wales)

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**PERIOD ENDED 31 AUGUST 2014**

# CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

## GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

### LEGAL AND ADMINISTRATIVE INFORMATION

---

Governors (Trustees)	D Coleshill (Director) (Chair of Governing Body) D Gable (Vice-Chair) (Director) N Kelly (Headteacher) (Director) J Surry B Charlton M Smallpage L Cook (Director) R Tillyer M Jones O Begg
Senior Managers	N Kelly (Headteacher) R Madar (Deputy Headteacher) C Smart (School Business Manager)
Secretary	C Smart
Company Number	08451827
Registered Office	Bury Avenue Hayes Middlesex UB4 8LF
Auditors	Wilkins Kennedy LLP Anglo House Bell Lane Office Village Bell Lane Amersham Bucks HP6 6FA
Bankers	Lloyds Bank PLC 25 Gresham St London EC2V 7HN
Solicitors	Geldards Law Firm Enterprise House 1-2 Hatfields London SE1 9PG

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

Contents

Governors Report	1
Governance Statement	12
Statement of Regularity, Propriety and Compliance	15
Independent Auditor's Report	17
Reporting Accountant's Assurance Report on Regularity	19
Statement of Financial Activities	22
Balance sheet	23
Cash Flow Statement	24
Notes to the Accounts	25

# CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

## GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

The Governors (Trustees) present their report and accounts for the Charville Primary School (referred to thereon as "The Charville Primary School Academy Trust" for the period ended 31 August 2014.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charitable Companies Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, and the Annual Accounts Direction 2013/14 issued by the EFA.

### Structure, Governance and Management

The Charitable Company is a company limited by guarantee incorporated on 19 March 2013, and the predecessor school converted to Academy status on 1 May 2013. The Governors (Trustees) who are also the directors for the purpose of company law, and who served during the period were:

D Coleshill (Chair of the Governing Body)	Appointed 12.09.11
D Gable (Vice-Chair)	Appointed 10.12.10
N Kelly (Headteacher)	Ex Officio Appointed 01.09.14
J Surry	Appointed 07.12.09
B Charlton	Appointed 04.02.13
M Smallpage	Appointed 08.09.14
L Cook	Appointed 17.10.11
R Tillyer	Appointed 04.02.13
M Jones	Appointed 09.09.13
C McNicholas	Appointed 01.09.12
	Resigned 01.05.14
O Begg	Appointed 24.03.14
P Shawley	Ex Officio Appointed 01.09.10
	Resigned 31.08.14

### Constitution

The Charville Primary School Academy Trust is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member. The Academy is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **GOVERNORS REPORT**

FOR THE PERIOD ENDED 31 AUGUST 2014

---

The governors act as the trustees for the charitable activities of the Charville Primary School Academy Trust and are also the directors for the purposes of company law.

The trust operates an academy for pupils 3-11 serving a catchment area in Hayes, Middlesex. It has a pupil capacity of 650 and had a roll of 635 in the school census on 31 October 2014.

The governing body meets twice each term. Details of the governing body who served through the period are included above.

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

#### **Principal Activities**

The principal activity of the Charville Primary School Academy Trust is to provide education for boys and girls of all abilities between the ages of 3 and 11. Funding is obtained from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

#### **Recruitment and Appointment or Election of Governors**

Governors are unpaid volunteers and are appointed for 4 years. Parent governors are appointed by parents by a vote; staff by a vote by staff (both teaching and support staff); community by the Governing Body and the local authority Governor by the London Borough of Hillingdon. Parent governors can complete their term even if their child leaves the school. The rules for membership of the Governing Body are determined by the Memorandum and Articles of Association, the founding documents of Charville Primary School Academy Trust. The balance and number of staff, community, local authority and parent governors is approved by the Secretary of State for Education.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments, such as Head Teacher (Deputy Head Teacher and other such senior posts).

The governing body comprises the following governors

- a) Three initial governors appointed on incorporation
- b) One governor appointed by the governors

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **GOVERNORS REPORT**

FOR THE PERIOD ENDED 31 AUGUST 2014

---

- c) Three teacher governors elected by the teaching staff
- d) One support staff governor elected by support staff
- e) Four parent governors elected by parents
- f) The Headteacher is an ex officio governor
- g) Further governors may be appointed by the Secretary of State

#### **Policies and Procedures adopted for the Induction and Training of Governors**

The training and induction provided for new and existing Governors will depend on their existing experience. Where necessary induction will include training on educational, legal and financial matters. All new Governors will be given the opportunity of a tour of the Academy, have the chance to meet with staff and pupils and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors. As there is expected to be only a small number of new Governors a year, induction will be carried out informally and will be tailored specifically to the individual. Training provided by the Hillingdon Governor Support Unit can also be accessed as required by any governor.

The Chair of Governors will oversee the training of all Governors and will provide a training schedule and agree Link Governors for individual academy faculties

#### **Organisational Structure**

The governing body, the majority membership of which is non-executive, comprises those persons appointed under the Articles of Association. The board meets at least six times per year and has Three committees including:

Full Governing Body

Finance and Resources Audit Committee

Curriculum Committee

All these committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Governors delegate specific responsibilities to its committees, the activities of which are reported to, and discussed at, full Governing Body meetings. The day to day running of the academy is undertaken by the Headteacher, supported by the senior leadership team.

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

### **Risk Management (including Principal Risks and Uncertainties)**

As a recently converted academy, since 1 May 2013, there has been a comprehensive assessment of possible risks to the future of the academy (Risk Register).

The chief risks identified include:

- Variations year on year in the numbers of pupils joining the Academy in the Early Years and reception, with a concomitant effect upon funding levels.
- Deficit in the Local Authority Pension Scheme, possible increase in employer's contribution rates.

The Governors (Trustees) have assessed the major risks to which the academy is exposed, with guidance from the Academies Financial Handbook the Governing Body regularly review risk registers specifically for:

1. Financial Risk
2. Compliance Risk
3. Operational Risk
4. Strategic Risk

More specific risks that have been identified by the Governors are those relating to pupil safeguarding, finance process and controls, teaching and learning environments and health and safety (on and off site). The Academy has introduced various systems with regards to the finance department and all duties are segregated to minimise the risk of fraud. In addition policies and procedures have been developed to mitigate these risks. Where significant financial risk still remains the academy has ensured that it has adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the statement of internal financial control.

The governors (Trustees) have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Connected Organisations, including Related Party Relationships**

The Academy has one connected organisation, The Charville Children's Centre.

The Academy also has relationships with the following organisations

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **GOVERNORS REPORT**

FOR THE PERIOD ENDED 31 AUGUST 2014

---

During the period the Trust purchased outsourced HR services from The Schools HR Co-Operative Limited a company of which Mr M Charlton, who is a member of the Governing Body and a director and member of the Trust, is both a director and the controlling shareholder. The total of the outsourced HR services purchased was £46,951

The Trust made the purchase of these services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into this transaction the Trust has not complied with the requirements of the EFA's Academies Financial Handbook 2013 (updated October 2013) as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a director and member of the Trust.

The contract for the supply of these services was initially inherited by the Trust on its conversion to academy status and was subsequently renewed for a further period of 2 years in March 2014. The Trust is currently in discussions with Mr Charlton with a view to him relinquishing his roles as a director and member of the Trust, whilst still retaining him within the Governing Body on a non-voting advisory basis.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role

#### **The Register of Interests**

It is important that all staff and Governors, whether they have significant financial or spending powers on behalf of the Academy, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. All staff and Governors will need to declare any financial interests they have in companies/individuals from whom the Academy may purchase goods or services.

The disclosures should also include business interests of relatives or business partners, where influence could be exerted over a Governor or a member of staff by that person. This does not detract from the duties of Governors and staff to declare interests whenever they are relevant to matters being discussed by the Governing Body or a Committee. Where an interest has been declared, Governors and staff should not attend that part of any committee or other meeting.

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

### **Objective, Aims and Public Benefit**

The principal objective of the company is to advance, for the public benefit, education in the United Kingdom. It achieves this objective through the operation of the Charville Primary School Academy Trust, providing education, free of charge, to children aged 3 – 11 years.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The scheme of government specifies, among other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn and that the curriculum should comply with the substance of the National Curriculum.

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

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, teaching and pastoral care
- To raise the standard of educational attainment for all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

### **Strategies and Activities**

The Academy commenced its charitable activities on 1 May 2013.

### **The aims of the Academy rest on the following principles:**

- Equal opportunities for every child to develop their full potential enabling them to leave the Academy well prepared for the next of their educational, social and spiritual development
- A curriculum which is broad and well balanced, responsive to the needs of the individual child and relevant to the wider world
- Resources that match the needs of the children and the school as fully as possible
- Communications with parents which are open, effective and timely
- A belief that all pupils have various talents that need encouragement to develop
- The recognition that school should be a preparation for life in the fullest possible sense and that pupils do need a sound basis of knowledge, skill, competence and experience to equip them to cope with the many roles they will have to take on during their lives
- The need for a working environment which secures effective teaching and learning, and values achievement by all pupils in their social, moral, spiritual, cultural, mental and physical development.

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **GOVERNORS REPORT**

FOR THE PERIOD ENDED 31 AUGUST 2014

---

#### **Charville Primary School Academy therefore aims to encourage pupils to:**

- Develop lively, enquiring minds capable of original thought and well-balanced critical argument.
- Become confident, independent learners, well-equipped for lifelong learning.
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity.
- Embrace the many opportunities afforded by developments in information and communication technologies, whilst fully accepting the responsibilities that go with using them properly.
- Engage in a broad programme of experiences which enable them to appreciate their cultural inheritance and to understand more about themselves and the world in which they live.
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self-respect and sensitivity to the needs of others, particularly those less advantaged than themselves.
- Show respect for each other and all people working in the Academy, and to appreciate the diverse talents that contribute to our Academy community.
- Play a full part in creating a caring, supportive Academy environment.
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens.
- Display self-discipline and proper regard for authority.
- Foster good behaviour and avoid all forms of bullying

#### **Equal Opportunities Statement**

The governors recognise that equal opportunities should be an integral part of best practice in the workplace. The Academy wishes to establish and maintain equality of opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Achievements and Performance**

The school has completed its first period of operation as an Academy and continues to achieve the forecast number of pupils. Total pupils in the period ended 31st August 2014 numbered 675 and the Academy has a full complement in some year groups.

The SATS results for 2014 were as follows: KS2 – 65% achieved Level 4 or above in Reading, Writing and Mathematics combined. 11% achieved Level 5 or above in Reading, Writing and Mathematics. 98% of pupils made at least two levels of progress in Reading, 88% of pupils made at least two levels of progress in Writing and 83% made at least two levels of progress in Mathematics.

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

### **Going Concern**

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

### **Financial Review**

Most of the Academy's income is obtained from the DfE (via the Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes related to education. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Capital Grants were awarded to the Academy by the DfE to provide fixed assets totalling £80k for the academy roof. In accordance with the Charities Statement of Recommended Practice (SORP) 2005, the DFC (Devolved Formula Capital Grant) received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 1 May 2013, all of the fixed assets of the former school were transferred to the new Academy Trust, and are shown as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial gain on defined benefit pension schemes, of £5,471k This operating surplus is the result of the transfer of assets and liabilities on conversion to Academy status.

### **Financial and Risk Management Objectives and Policies**

Governors keep reserves under constant review to ensure that they have sufficient income to run the academy on an efficient basis without affecting the quality of teaching and learning.

### **Reserves Policy**

The governors, via the work of their Finance and Audit Resources Committee, regularly monitor on-going and projected levels of reserves, to ensure that they are adequate for the continued efficient operation of the academy. This monitoring process takes into account shifts in local and national funding policies and developments as well as material expenditure requirements.

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

### **Investment Policy**

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

### **Employee Involvement**

Academy staff are empowered to elect colleagues to serve as Governors

The Equality Act 2010 requires us to publish information that demonstrates that we have due regard for the need to:

- **Eliminate unlawful discrimination, harassment, victimisation** and any other conduct prohibited by the Equality Act 2010
- **Advance equality of opportunity** between people who share a protected characteristic and people who do not share it
- **Foster good relations** between people who share a protected characteristic and people who do not share it.

The Academy monitors disability access and where necessary adapts the physical environment and ensures fullest participation by making support resources available.

### **Plans for the Future**

Charville Primary Academy Trust will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to secondary education.

### **Funds Held as Custodian Trustee on Behalf of Others**

During the period from 1 May 2013 to 31 August 2014 Charville Primary Academy did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

### **Statement of Directors' Responsibilities**

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

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

### GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

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 (Statement of Recommended Practice);
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to 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.

**In accordance with company law, as the company's directors we certify that:**

- So far as we are aware, there is no relevant information of which the company's auditors are 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 auditors are aware of that information

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

Approved by order of the members of the Governing Body (Trustees) on ..... 2015.

And signed on its behalf by:

David Coleshill

Chair of the Governing Body

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

### GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

#### Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to Nicola Kelly, the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Charville Primary School Academy Trust and the Secretary of State for Education. She is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The governing body has formally met six times during the period from 1 September 2013 to 31 August 2014. Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Nicola Kelly	5	6
David Gable	6	6
David Coleshill	6	6
Bob Charlton	6	6
Lauren Cook	6	6
Mark Smallpage	4	6
James Surry	6	6
Olja Begg	2	6

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

### GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

	<b>Meetings attended</b>	<b>Out of a possible</b>
Governor continued./....		
P Shawley	6	6
Melisa Jones	2	6
R Tillyer	2	6
C McNicholas	0	6

The above attendance summary does not include governing body meetings during the period from 1 May 2013 to 31 August 2013 as the attendance records for this period cannot be located.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Charville Primary Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place from the conversion for the period ended 31 August 2014 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 Charville Primary School Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

---

- clearly defined purchasing (asset purchase or capital investment) guidelines;
- setting targets to measure financial and other performance
- delegation of authority and segregation of duties;
- Identification and management of risks.

The Academy's system of internal financial control was introduced following its conversion to academy status. The system adopted is in line with the requirements of the Academies Handbook 2013.

**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- The work of the Business Manager within the Academy who has 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 Resources Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body (Trustees) on ..... and signed on its behalf by:

.....

David Coleshill

**Chair**

.....

Nicola Kelly

**Accounting Officer and Headteacher**

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Charville Primary School Academy Trust since I was appointed on 1 September 2014, I have considered my responsibility to notify the Trust board of directors 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 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 the Trusts' directorship and I are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies' Financial Handbook.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of directors and EFA. If any instances are identified after the date of this statement, these will be notified to the board of directors and EFA:

- In respect of a purchase of ICT equipment in November 2013 costing £5,221, the required number of written quotes, i.e. 3, was not obtained for a purchase costing between £3,000 and £10,000, in contravention of the Trust's financial procedures.
- During the period the Trust purchased outsourced HR services from The Schools HR Co-Operative Limited a company of which Mr M Charlton, who is a member of the Governing Body and a director and member of the Trust, is both a director and the controlling shareholder. The total of the outsourced HR services purchased was £46,951.

The Trust made the purchase of these services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into this transaction the Trust has not complied with the requirements of the EFA's Academies Financial Handbook 2013 (updated October 2013) as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a director and member of the Trust.

The contract for the supply of these services was initially inherited by the Trust on its conversion to academy status and was subsequently renewed for a further period of 2 years in March 2014. The Trust is currently in discussions with Mr Charlton with a view to him relinquishing his roles as a director and member of the Trust, whilst still retaining him within the Governing Body on a non-voting advisory basis.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.

.....  
**Nicola Kelly**  
**Accounting Officer and Headteacher**

**Date:**.....

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

---

The Governors (who act as trustees for the charitable activities of Charville Primary School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial period. Under company law the Directors 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 Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors 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 Trust will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation, the Trust applies financial and other controls, which conform to 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust'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 (Trustees) on ..... and signed on its behalf by:

.....  
**David Coleshill**  
**Chair**

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

---

We have audited the financial statements of Charville Primary School Academy Trust for the period ended 31 August 2014, which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 Trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement (set out on page 13), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE  
MEMBERS OF CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

---

**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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**David Cary LLB FCA (Senior Statutory Auditor)**

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Chartered Accountants

Anglo House

Bell Lane Office Village

Bell Lane

Amersham

Buckinghamshire

HP6 6FA

**Date:**.....

# CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

## REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHARVILLE PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

---

In accordance with the terms of our engagement letter dated 16 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the period 1 May 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the Academy's Accounting Officer and Auditors**

The Accounting Officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 9 August 2012 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

### REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHARVILLE PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

---

- Reviewed for potential related party transactions (connected parties) by reviewing the register of interests, and if any identified and transactions have occurred, the procurement policy has been agreed to ensure all transactions have followed the internal process.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.

#### Approach (continued)

- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (eg. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

#### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 May 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- In respect of a purchase of ICT equipment in November 2013 costing £5,221, the required number of written quotes, i.e. 3, was not obtained for a purchase costing between £3,000 and £10,000, in contravention of the Trust's financial procedures.
- During the period the Trust purchased outsourced HR services from The Schools HR Co-Operative Limited a company of which Mr M Charlton, who is a member of the Governing Body and a director and member of the Trust, is both a director and the controlling shareholder. The total of the outsourced HR services purchased was £46,951.

The Trust made the purchase of these services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into this transaction the Trust has not complied with the requirements of the EFA's Academies Financial Handbook 2013 (updated October 2013) as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a director and member of the Trust.

The contract for the supply of these services was initially inherited by the Trust on its conversion to academy status and was subsequently renewed for a further period of 2 years in March 2014. The Trust is currently in discussions with Mr Charlton with a view to him relinquishing his roles as a director and member of the Trust, whilst still retaining him within the Governing Body on a non-voting advisory basis.

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
CHARVILLE PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION  
FUNDING AGENCY

---

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.

**David Cary LLB FCA (Reporting Accountant)**

For and on behalf of Wilkins Kennedy LLP,

Chartered Accountants

Anglo House

Bell Lane Office Village

Bell Lane

Amersham

Buckinghamshire

HP6 6FA

**Date:**.....

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2014  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Un- Restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
- Voluntary income	3	-	45	-	45
- Voluntary Income – transfer from local authority on conversion	4, 29	421	(646)	5,868	5,643
- Activities for generating funds	5	97	126	-	223
- Investment income	6	-	-	-	-
<i>Incoming resources from charitable activities:</i>					
- Funding for the Trust's educational operations	7	-	3,782	80	3,862
<b>Total incoming resources</b>		<u>518</u>	<u>3,307</u>	<u>5,948</u>	<u>9,773</u>
<b>Resources expended</b>					
<i>Charitable activities:</i>					
Trust's educational operations	9	-	4,131	160	4,291
Governance costs	10	-	11	-	11
<b>Total resources expended</b>	8	<u>-</u>	<u>4,142</u>	<u>160</u>	<u>4,302</u>
<b>Net incoming / (outgoing) resources before transfers</b>		518	(835)	5,788	5,471
Gross transfers between funds	18	<u>(338)</u>	<u>250</u>	<u>88</u>	<u>-</u>
<b>Net income / (expenditure) for the year</b>		180	(585)	5,876	5,471
<b>Other recognised gains and losses</b>					
Actuarial (losses)/gains on defined benefit pension schemes	27	-	62	-	62
<b>Net movement in funds</b>		180	(523)	5,876	5,533
<b>Reconciliation of funds</b>					
Total funds brought forward at 19 March 2013		-	-	-	-
<b>Total funds carried forward at 31 August 2014</b>		<u>180</u>	<u>(523)</u>	<u>5,876</u>	<u>5,533</u>

- All of the Trust's activities derive from acquisitions in the current financial period.
- All recognised gains and losses are included in the Statement of Financial Activities.

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET FOR THE PERIOD ENDED 31 AUGUST 2014

---

		2014 £000	2014 £000
	<b>Note</b>		
<b>Fixed assets</b>			
Tangible assets	14		<b>5,870</b>
			<hr/>
<b>Total fixed assets</b>			<b>5,870</b>
<b>Current assets</b>			
Debtors	15	<b>250</b>	
Cash at bank and in hand		<b>256</b>	
		<hr/>	
		<b>506</b>	
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	16	<b>(290)</b>	
		<hr/>	
<b>Net current assets</b>			<b>216</b>
			<hr/>
<b>Total assets less current liabilities</b>			<b>6,086</b>
Pension scheme liability	27		<b>(553)</b>
			<hr/>
<b>Net assets including pension liability</b>			<b>5,533</b>
			<hr/> <hr/>
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	17		<b>5,876</b>
Pension fund	17		<b>(553)</b>
General fund	17		<b>30</b>
			<hr/>
			<b>5,353</b>
			<hr/>
<b>Unrestricted funds</b>			
General fund	17		<b>180</b>
			<hr/>
<b>Total unrestricted funds</b>			<b>180</b>
			<hr/>
<b>TOTAL FUNDS</b>			<b>5,533</b>
			<hr/> <hr/>

The financial statements were approved by the members of the Governing Body (Trustees) and authorised for issue on ..... 2015 and signed on their behalf by:

.....  
**David Coleshill**  
Chair

.....  
**Nicola Kelly**  
Accounting Officer and Headteacher

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2014

---

	Note	2014 £000
<b>Net cash inflow from operating activities</b>	21	<b>338</b>
Returns on Investments and servicing of finance	22	-
Capital expenditure	23	<b>(82)</b>
<b>Increase in cash in the year</b>		<b>256</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds brought forward at 19 March 2013		-
Movement in net funds		<b>256</b>
Net funds at 31 August 2014	24	<b>256</b>

All of the cash flows are derived from continuing operations during the period.

# CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

## 1. ACCOUNTING POLICIES

### **Basis of Preparation**

The financial statements are 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 (SORP 2005), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going Concern**

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

### **Incoming resources**

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

### **Grants receivable**

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

### **Donations**

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Trust is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Trust in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Trust, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

### **Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

# CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

## 1. ACCOUNTING POLICIES (continued)

### 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.

### Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principal activity of the Trust.

### Governance Costs

Governance costs include the costs attributable to the Trust's compliance and constitutional and statutory requirements, including audit, strategic management and Board of Directors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

### Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Directors.

Restricted fixed asset funds are resources that are to be applied to specific capital purposes imposed by the EFA and DfE where the asset acquired or created is held for a specific purpose.

Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

### Tangible fixed assets

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

### Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2%
Building Improvements	2%
Furniture and fittings	20%
ICT equipment	33.3%

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

# CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

## 1. ACCOUNTING POLICIES (continued)

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

### Leased assets

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

### Taxation

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

### Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes and the assets are held separately from those of the 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 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 27. The TPS is a multi-employer scheme and the 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 period.

The LGPS is a funded scheme and the assets are held separately from those of the 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 the 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.

## 2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was not subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

**3. VOLUNTARY INCOME**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>2014 Total £000</b>
Trips	-	45	-	45
	<u>-</u>	<u>45</u>	<u>-</u>	<u>45</u>

**4. VOLUNTARY INCOME –  
TRANSFER FROM LOCAL  
AUTHORITY ON CONVERSION**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>2014 Total £000</b>
Budget surplus on LA funds	421	-	-	421
Pension fund deficit	-	(646)	-	(646)
Other fixed assets	-	-	16	16
Freehold land and buildings	-	-	5,852	5,852
	<u>421</u>	<u>(646)</u>	<u>5,868</u>	<u>5,643</u>

**5. ACTIVITIES FOR GENERATING  
FUNDS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>2014 Total £000</b>
Hire of facilities	26	-	-	26
Catering Income	-	126	-	126
Other Income	71	-	-	71
	<u>97</u>	<u>126</u>	<u>-</u>	<u>223</u>

**6. INVESTMENT INCOME**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>2014 Total £000</b>
Short term deposits	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

7. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS	Un-restricted Funds	Restricted Funds	Restricted Fixed Asset Funds	2014 Total
	£000	£000	£000	£000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (Note 2)	-	3,369	-	3,369
Start Up Grants	-	-	-	-
Capital Grants	-	-	-	-
Other DfE / EFA Grants	-	226	80	306
	-	3,595	80	3,675
<b>Other Government grants</b>				
Local Authority Grants	-	187	-	187
Special Educational Projects	-	-	-	-
	-	187	-	187
	-	3,782	80	3,862

8. RESOURCES EXPENDED	Staff Costs	Non-Pay Expenditure		Total
	£000	Premises Costs	Other Costs	2014
	£000	£000	£000	£000
Trust's educational operations				
Direct costs	2,812	160	390	3,362
Allocated support costs	447	218	264	929
	3,259	378	654	4,291
Governance costs including allocated support costs	-	-	11	11
	3,259	412	665	4,302

Incoming / Outgoing resources for the period include:

	Total 2014 £000
Operating Leases - other	23
Auditors' Remuneration - audit	7
	30

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

<b>9. CHARITABLE ACTIVITIES –TRUST’S EDUCATIONAL OPERATIONS</b>	<b>Un- restricted Funds</b>	<b>Restricted Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>2014 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Direct costs – educational operations</b>				
Teaching and educational support staff costs	-	2,812	-	<b>2,812</b>
Depreciation	-	-	160	<b>160</b>
Educational supplies	-	218	-	<b>218</b>
Examination fees	-	-	-	<b>-</b>
Staff development	-	34	-	<b>34</b>
Educational consultancy	-	85	-	<b>85</b>
Other direct costs	-	53	-	<b>53</b>
	<u>-</u>	<u>3,202</u>	<u>160</u>	<u><b>3,362</b></u>
<b>Allocated support costs – educational operations</b>				
Support staff costs	-	447	-	<b>447</b>
Recruitment and support Maintenance of premises and equipment	-	133	-	<b>133</b>
Cleaning	-	4	-	<b>4</b>
Rates	-	32	-	<b>32</b>
Light and heat	-	49	-	<b>49</b>
Insurance	-	29	-	<b>29</b>
Catering	-	72	-	<b>72</b>
Security and transport	-	-	-	<b>-</b>
Bank interest and charges	-	-	-	<b>-</b>
Other support costs	-	163	-	<b>163</b>
Loss on disposal of tangible fixed assets	-	-	-	<b>-</b>
	<u>-</u>	<u>929</u>	<u>-</u>	<u><b>929</b></u>
Total direct and support costs	<u>-</u>	<u>4,131</u>	<u>160</u>	<u><b>4,291</b></u>
<b>10. GOVERNANCE COSTS</b>				
Legal and professional fees	-	4	-	<b>4</b>
Audit of financial statements	-	7	-	<b>7</b>
Directors’ and Governors’ reimbursed expenditure	-	-	-	<b>-</b>
Other support costs	-	-	-	<b>-</b>
	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>-</b></u>
Total costs	<u>-</u>	<u>11</u>	<u>-</u>	<u><b>11</b></u>

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

<b>11. STAFF COSTS</b>	<b>2014</b>
	<b>£000</b>
Staff costs during the period were:	
- Wages and salaries	<b>2,566</b>
- Social security costs	<b>142</b>
- Other pension costs	<b>401</b>
	<hr/>
	<b>3,109</b>
Supply teacher costs	<b>150</b>
	<hr/>
	<b>3,259</b>
	<hr/>

### Staff Severance Payments

Included in wages and salaries are non-statutory/non-contractual severance payments totally £7,827. None of the non-statutory/non-contractual severance payments exceeded £5,000 individually.

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

	<b>2014</b>
	<b>No.</b>
<b>Charitable Activities</b>	
Teachers	32
Administration and support	64
	<hr/>
	96
	<hr/>

The number of employees whose emoluments fell within the following bands was:

	<b>2014</b>
	<b>No.</b>
£70,001 - £80,000	1
	<hr/>

The employee above participated in the Teachers Pension Scheme. During the period to 31 August 2014, pension contributions for this member of staff amounted to £14,105

## 12. DIRECTORS' AND TRUSTEES' REMUNERATION AND EXPENSES

The Head teacher and staff Directors only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Trust in respect of their roles as Directors. The five staff Directors who received remuneration are:

<b>Name</b>	<b>Amount</b>
Mr P J Shawley (Headteacher)	£70,001 - £80,000
C. Nicholas, M Smallpage, J Fraser, L Cook	£109,209

The other staff Directors listed above only received remuneration for their role as a member of staff and their salaries have been aggregated as the Directors believe any further detailed breakdown would be prejudicial to the structure of the Governing Body.

Related party transactions involving the Directors are set out in note 28.

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

### 13. DIRECTORS', GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors', Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the insurance is included within the total policy and cannot be separated out.

### 14. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Asset under construction	ICT	Furniture and fittings Plant and machinery	Motor Vehicles	Total 2014
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 May 2013	-	-	-	-	-	-
Additions	66	-	45	51	-	162
Disposals	-	-	-	-	-	-
Transfer on conversion	5,852	-	4	12	-	5,868
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2014	5,918	-	49	63	-	6,030
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>						
At 1 May 2013	-	-	-	-	-	-
Charged in year	141	-	15	4	-	160
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2014	141	-	15	4	-	160
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book values</b>						
At 31 August 2014	5,777	-	34	59	-	5,870
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 April 2013	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 15. DEBTORS

	2014 £000
Trade debtors	-
Prepayments and accrued income	78
Other debtors	-
VAT recoverable	172
	<u>          </u>
	250
	<u>          </u>

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

<b>16. CREDITORS: amounts falling due within one year</b>	<b>2014</b>
	<b>£000</b>
Trade creditors	21
Taxation and social security	39
Other creditors	77
Accruals and deferred income	153
	<u>290</u>
<b>Deferred income analysis</b>	<b>2014</b>
	<b>£000</b>
Resources deferred in the period	48
Amounts released from previous periods	-
	<u>48</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Infant Free School Meals funding for the year 2014/15.

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

### 17. FUNDS

	Incoming Resources	Resources Expended	Transfers	Balance at 31 August 2014
	£000	£000	£000	£000
<b>Restricted general funds</b>				
General annual grant (GAG)	3,369	(3,589)	250	30
Start-up grant	-	-	-	-
Other DfE/EFA grants	413	(413)	-	-
Other income	171	(171)	-	-
Pension reserve	(646)	93	-	(553)
	<u>3,307</u>	<u>(4,080)</u>	<u>250</u>	<u>(523)</u>
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	80	(160)	-	(80)
Assets transferred on conversion	5,868	-	-	5,868
General fixed assets	-	-	88	88
	<u>5,948</u>	<u>(160)</u>	<u>88</u>	<u>5,876</u>
<b>Total restricted funds</b>	<u>9,255</u>	<u>(4,240)</u>	<u>338</u>	<u>5,353</u>
<b>Unrestricted funds</b>				
Unrestricted funds	518	-	(338)	180
<b>Total funds</b>	<u>9,773</u>	<u>(4,240)</u>	<u>-</u>	<u>5,533</u>

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

- General funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Directors.
- Restricted fixed asset funds are resources that are to be applied to specific capital purposes imposed by the EFA and DfE where the asset acquired or created is held for a specific purpose.
- Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

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

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General Fund £000	Restricted General Fund £000	Restricted fixed asset fund £000	Total 2014 £000
Tangible fixed assets	-	-	5,870	<b>5,870</b>
Current assets	180	292	34	<b>506</b>
Current liabilities	-	(262)	(28)	<b>(290)</b>
Pension scheme liability	-	(553)	-	<b>(553)</b>
	<u>180</u>	<u>(523)</u>	<u>5,876</u>	<u><b>5,533</b></u>

### 19. CAPITAL COMMITMENTS

Contracts placed for future capital expenditure not provided in the financial statements

	2014 £000
Contracted for, but not provided in the financial statements	<u>45</u>

### 20. FINANCIAL COMMITMENTS

2014  
£000

#### *Operating leases*

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

#### **Land and Buildings**

Expiring within one year	-
Expiring within two and five years inclusive	-

#### **Other**

Expiring within one year	-
Expiring within two and five years inclusive	-

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### 21. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £000
Net income	5,471
Depreciation (note 14)	160
Interest receivable (note 5)	-
Capital Grants from DfE/EFA	(80)
LGPS liability from predecessor school	646
FRS17 adjustments	(31)
Assets transferred from predecessor school	(5,868)
Loss on disposal of fixed assets	-
(Increase)/ decrease in debtors	(250)
Increase/(decrease) in creditors	290
	<hr/>
Net cash inflow from operating activities	<u>338</u>

### 22. RETURNS ON INVESTMENTS AND SERVICES OF FINANCE

	2014 £000
Interest received	-
	<hr/>

### 23. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014 £000
Purchase of tangible assets	(162)
Capital Grants from DfE/EFA	80
	<hr/>
Net cash inflow from capital expenditure and financial investment	<u>(82)</u>

### 24. ANALYSIS OF CHANGES IN NET FUNDS

	Cash Flows £000	At 31 August 2014 £000
Cash in hand and at bank	256	256
	<hr/>	<hr/>

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### **25. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### **26. 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 period 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.

### **27. PENSION AND SIMILAR OBLIGATIONS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hillingdon Borough Council (HBC). All are defined-benefit schemes.

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

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.

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

#### **Teachers' Pension Scheme (TPS)**

##### **Introduction**

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

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

#### Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

#### 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the

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

#### London Borough of Hillingdon Pension Scheme

The Trust is one of several employing bodies included within the London Borough of Hillingdon Pension Fund.

The London Borough of Hillingdon's pension scheme is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the period ended 31 August 2014 was £245,000, of which employer's contributions totalled £209,000 and employees' contributions totalled £36,000

Principal Actuarial Assumptions:

	<b>At 31 August 2014</b>
Rate of increase in salaries	3.5%
Rate of increase for pensions in payment / inflation	2.7%
Discount rate for scheme liabilities	3.7%
Inflation assumption (RPI)	3.7%
Commutation of pensions to lump sums	65 to 85%

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

	<b>At 31 August 2014</b>
<i>Retiring in 20 periods</i>	
Males	<b>24.3</b>
Females	<b>26.9</b>
<i>Retiring today</i>	
Males	<b>22.7</b>
Females	<b>24.7</b>

**CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

**27. PENSION AND SIMILAR OBLIGATIONS (continued)****London Borough of Hillingdon Pension Scheme (continued)**

	Long-term rate of return expected at 31 Aug 2014	Value at 31 August 2014
	%	£000
Equities	6.4%	365
Other Bonds	3.5%	129
Property	4.5%	51
Cash	3.3%	17
<b>Total fair value of assets</b>		<b>562</b>
Present value of scheme liabilities		<b>(1,115)</b>
<b>Surplus/(deficit) in the scheme</b>		<b>(553)</b>

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2014 is estimated to be 11.0%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Scheme assets was £46,000.

<b>The amounts recognised in the Statements of Financial Activities are as follows:</b>	<b>2014</b>
	<b>£000</b>
Current service cost	149
Past service cost	-
Total operating charge	<b>149</b>
<b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	29
Interest on pension liabilities	<b>(58)</b>
<b>Pension finance income/(costs)</b>	<b>(29)</b>

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statements of Financial Activities since the adoption of FRS 17 is a £62,000 gain.

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

#### London Borough of Hillingdon Pension Scheme (continued)

<b>Movements in the present value of defined benefit obligations were as follows:</b>	<b>2014 £000</b>
At 19 March 2013	-
Liabilities transferred from predecessor school	919
Current service cost	149
Interest cost	58
Employee contributions	36
Actuarial loss / (gain)	(47)
Benefits paid	-
Past Service costs	-
Curtails and settlements	-
	<hr/>
<b>At 31 August 2014</b>	<b>1,115</b>
	<hr/> <hr/>
<b>Movements in the fair value of the Trust's share of Scheme Assets were as follows:</b>	<b>2014 £000</b>
At 19 March 2013	-
Assets transferred from predecessor school	273
Expected return on assets	29
Actuarial gain/(loss)	15
Employer contributions	209
Employee contributions	36
Benefits paid	-
	<hr/>
<b>At 31 August 2014</b>	<b>562</b>
	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £154,000.

#### The history of experience adjustments is as follows:

	<b>2014 £000</b>
Present value of defined benefit obligations	(1,115)
Fair value of share of Scheme assets	562
	<hr/>
Surplus/ (deficit) in the scheme	(553)
	<hr/> <hr/>
Experience adjustments on Scheme assets	15
	<hr/> <hr/>
Experience adjustments on Scheme liabilities	-
	<hr/> <hr/>

## **CHARVILLE PRIMARY SCHOOL ACADEMY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### **28. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Directors or Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the period the Trust purchased outsourced HR services from The Schools HR Co-Operative Limited a company of which Mr M Charlton, who is a member of the Governing Body and a director and member of the Trust, is both a director and the controlling shareholder. The total of the outsourced HR services purchased was £46,951

The Trust made the purchase of these services at arm's length following a competitive tendering exercise in accordance with its financial regulations which Mr Charlton neither participated in nor influenced. In entering into this transaction the Trust has not complied with the requirements of the EFA's Academies Financial Handbook 2013 (updated October 2013) as it has paid more than "cost" for services provided to it by an organisation connected to Mr Charlton, a director and member of the Trust.

The contract for the supply of these services was initially inherited by the Trust on its conversion to academy status (see Note 29 below) and was subsequently renewed for a further period of 2 years in March 2014. The Trust is currently in discussions with Mr Charlton with a view to him relinquishing his roles as a director and member of the Trust, whilst still retaining him within the Governing Body on a non-voting advisory basis.

In order to carry out this role, Mr Charlton declares his position at each meeting and does not carry a vote on matters pertaining to his HR role.

### **29. CONVERSION TO AN ACADEMY TRUST**

On 1 May 2013 Charville Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Charville Primary School Academy Trust from the London Borough of Hillingdon for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

## CHARVILLE PRIMARY SCHOOL ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

---

### 29. CONVERSION TO AN ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Un- restricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total £000</b>
Tangible fixed assets				
• Freehold land and buildings	-	-	5,852	<b>5,852</b>
• Other tangible fixed assets	-	-	16	<b>16</b>
Budget surplus/(deficit) on LA funds	421	-	-	<b>421</b>
Budget surplus/(deficit) on other school funds	-	-	-	-
LGPS pension surplus / (deficit)	-	(646)	-	<b>(646)</b>
Borrowing obligations	-	-	-	-
Other identified assets and liabilities	-	-	-	-
<b>Net assets</b>	<b>421</b>	<b>(646)</b>	<b>5,868</b>	<b>5,643</b>

The above net assets include £149,050 that was transferred as cash.