

Ilkley Grammar School
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2014

Ilkley Grammar School

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Ilkley Grammar School

REFERENCE AND ADMINISTRATION DETAILS

Governors (Trustees)	Mrs L Wharmby (Chair and Member) Ms H Williams (Headteacher) Mrs G James (Headteacher) Miss V Brides Mr K Brown Mrs I Clark Mr A Colman Mrs A Duggan (Member) Mrs S Haigh (Member) Mr H Lorimer Mr M Noble (Member) Mrs J Pattinson Mr L Saunders Cllr M Smith Mrs J Stewart Mr G Droogman Mr H Murison Mr P Smeaton Mr S Herrington Ms B Malby Mr J Rickard	Appointed 1 September 2014 Resigned 31 August 2014 Resigned 7 July 2014 Resigned 10 December 2013 Resigned 16 May 2014 Resigned 10 December 2013 Resigned 5 July 2014 Resigned 10 December 2013 Appointed 1 November 2013 Appointed 1 November 2013 Resigned 22 September 2014 Appointed 1 November 2013 Appointed 17 February 2014 Appointed 17 February 2014 Appointed 11 July 2014
Secretary	Mrs A Kaye (Business & Finance Director)	
Principal and Registered Office	Cowpasture Road, Ilkley, LS29 8TR	
Company Registration Number	07663864 (England and Wales)	
Auditor	Clive Owen & Co LLP Chartered Accountants Statutory Auditors 140 Coniscliffe Road Darlington Co. Durham DL3 7RT	
Bankers	Lloyds 45 Hustlergate Bradford BD1 1NT	
Solicitors	Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY	

Ilkley Grammar School

GOVERNORS' REPORT

The Governors of Ilkley Grammar School present their annual report together with the financial statements and auditor's report of the Academy Trust for the year ended 31 August 2014.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration number 07663864) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. Members of the Academy Trust are nominated by the Governing Body or the Secretary of State for Education. The articles of association require the members of the Academy Trust to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the Academy Trust and the management of the Academy Trust.

Information on the Governors who served throughout the period are included on page 1.

Members' liability

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

Governor's indemnity provisions are detailed in note 11 to the financial statements.

Not all Governors are legal members of the Academy Trust. Only three legal members are required at any one time. Members who served throughout the period are included on page 1.

Principal activities

The Academy Trust exists with the purpose of advancing education for the benefit of its community. We have established and maintained a high achieving and high aspiring comprehensive school. As an Academy Trust it is incumbent upon us to co-operate particularly with other schools, especially where there is advantage in the exchange of information and good practice.

The Academy Trust pays from its public funding the costs and expenses of providing education for children aged 11-19 in and beyond our catchment area. Currently we have approximately 1,550 students on roll, including 320 in the sixth form.

We converted to Academy status in July 2011, as a 'good school, with outstanding features' and are working to see this benefits our students and opens up new opportunities and new ways of learning.

We take pride in all our students and in seeing every one of them achieve their 'personal best' and fulfil our Latin motto of 'Growing in Wisdom and Stature'.

Method of recruitment and appointment or election of Governors

As clearly set out in the Articles of Association, where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election of Staff Governors.

The Community Governors may be appointed by the Governing Body provided that the person who is appointed lives or works in the community served by the Academy and is committed to the government and success of the Academy. Community Governors may be nominated by the Foundation.

The Governors may appoint up to 3 Co-opted Governors and the same criteria are applied. The Academy Trust also accepts the position that the Secretary of State, being dissatisfied with the work and progress of the Governing Body, may appoint additional Governors.

Ilkley Grammar School

GOVERNORS' REPORT

Policies and procedures adopted for the induction and training of Governors

A full induction pack is provided to all Governors and new Governors will meet the Chair, the Headteacher and the Business and Finance Director to help with their assimilation in to the role of School Governor. All Governors subscribe to the importance of communicating the Academy's performance to stakeholders and are, therefore, taken step by step through school evaluation systems by a member of the Academy's Senior Management Team. All Governors are also constantly updated on all matters through the committee and Board meetings. Training requirements are assessed by the Chair of Governors to ensure that there is an appropriate balance of skills and experience on the Board at all times.

Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Managers are the Headteacher, Deputy Headteachers, the Business and Finance Director and Assistant Headteachers. The Headteacher is the Academy Trust's Accounting Officer. These managers control the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Extended Leadership Team, with limits above which a Senior Manager must countersign.

The Extended Leadership Team includes the Senior Management, the Curriculum Leaders and the Pastoral Leaders. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Senior Management Team

Headteacher	Gillian James (retired 31 August 2014)
Headteacher	Helen Williams (appointed 1 September 2014)
Deputy Headteacher	Adam Daly (resigned 31 October 2014)
Deputy Headteacher	Carly Purnell
Business & Finance Director	Alison Kaye
Assistant Headteacher	Karen Jones
Assistant Headteacher	Mark Rignall
Assistant Headteacher	Andrew Calvert
Assistant Headteacher	Dawn Morgan
Assistant Headteacher	Christopher Washington
Assistant Headteacher	Timothy Milburn (resigned 31 August 2014)

Risk management

The Governors have drawn up a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risk the Academy Trust faces, scoring and prioritising them in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks, then considering the costs of operating particular controls relative to the benefit obtained.

Objectives and activities

Objects and aims

The sole object and aim of the Academy Trust is the operation of the Ilkley Grammar School to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19. The main ambitions of the Academy Trust are summarised below.

- Develop successful learners, happy and confident individuals and responsible citizens;
- Develop a rich curriculum, responsive to need and providing the skills for life and work in the 21st century;
- Create a culture of inspirational learning and teaching;
- Achieve outstanding outcomes;
- Develop high quality leadership;
- Ensure high expectations and professionalism in all aspects of school life;
- Promote an inclusive and engaged community;
- Secure a sustainable organisation;
- Provide a pleasant, inspirational and safe environment; and
- Promote our reputation locally, nationally and internationally.

Ilkley Grammar School

GOVERNORS' REPORT

Strategies and Activities

The Academy's vision is as follows:

Together we achieve our Personal Best. Retaining traditional values we seek, through partnership, to develop creativity, innovation and improvement at the heart of our learning community.

Our Values:

- Student first;
- Pursue excellence in all we do;
- Respect;
- Resilience; and
- Inclusion.

Our pledge:

To provide the challenge and support for all to enjoy and achieve, whatever their individual talents and aspirations.

Equal opportunities

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Public benefit

When setting the objectives of the Academy Trust for the year, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary guidance on advancing education. The Academy Trust's object is specifically restricted to advance for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Strategic Report

Achievements and Performance

Student achievements

Results at both A level and GCSE levels were the best ever in 2014.

- 32% of students achieved A levels at grades AAB or higher in at least 2 facilitating subjects;
- 99% of students achieved at least 3 A levels at A*-E;
- 82% of students achieved a C or above in GCSEs in 5 or more subjects;
- 41% of students achieved the English Baccalaureate;
- 88% of students achieved at least the minimum expected level of progress in English between KS2 and KS4;
- 83% of pupils achieved at least the minimum expected level of progress in maths between KS2 and KS4; and
- Progress measures in English and maths were significantly above the national average at 89% and 84% respectively.

Other achievements

- Continued very high student attendance 97% (2012/13 97%);
- Continued membership of the Leading Edge Partnership; and
- Partner of Red Kite Teaching School Alliance and Bradford Partnership.

Going concern

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

Ilkley Grammar School

GOVERNORS' REPORT

Financial review

The majority of the Academy Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. For the year ended 31 August 2014 the Academy Trust reserves stand at £1,490,000 (excluding the Fixed Asset Fund and the Pension Fund).

Financial and risk management objectives and policies

The Governing Body acknowledges responsibility for the system of internal control and employs an on-going process for identifying, evaluating and managing all significant risks. The objectives for managing risk across the Academy Trust are:

- To comply with risk management best practice;
- To ensure risks facing the Academy Trust are identified and appropriately documented;
- To provide assurance to the Governing Body that risks are being adequately controlled, or identify areas for improvement; and
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risk.

Principal risks and uncertainties

The Academy Trust is constantly monitoring the decisions from the DfE with regard to the future of funding. We aim to carry forward reserves to minimise the impact of any future funding cuts.

Reserves policy

The policy of the Academy Trust is to allocate a prudent level of funds to meet long-term recurring needs of renewal and any other unforeseen expenditure, subject to the constraint that the level of resource does not exceed the level permitted by the EFA.

The Academy Trust has three categories of reserves: Restricted Funds, which is GAG funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted reserves which is used under the direction of the Governors.

The unrestricted reserves of £974,000 are freely available for general purposes. These will be allocated in line with the strategic objectives of the Academy Trust.

The restricted funds of £11,952,000 include the restricted fixed asset fund of £12,169,000. The restricted pension fund is currently in deficit to the value of £733,000 as at 31 August 2014 (£981,000 deficit as at 31 August 2013). This deficit was inherited upon conversion to Academy status and the Governors will continue to monitor this situation closely.

Investment policy

The Academy Trust monitors cash flow to ensure immediate and forthcoming commitments can be met. Surplus funds are invested in risk free, short, fixed term deposit accounts with British banks.

Plans for future periods

The Academy Trust plans to build further on the excellent results of 2013/14 and to continue with the plans approved by Governors in the Academy Development Plan. The Academy Trust will continue to support and invest in staff and facilities to ensure the best outcomes for our students.

Auditor

Clive Owen & Co LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to the auditor

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Ilkley Grammar School

GOVERNORS' REPORT

Approved by order of the Governing Board at its meeting on 15 December 2014 and signed on its behalf by:

Lindsey Wharmby
Chair of Governors

Ilkley Grammar School

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ilkley Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 4 times during the period. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a possible
Mrs L Wharmby (Chair and Member)	4	4
Mrs G James (Headteacher)	4	4
Miss V Brides	3	4
Mr K Brown	3	4
Mrs I Clark	4	4
Mr A Colman	4	4
Mrs A Duggan (Member)	4	4
Mrs S Haigh (Member)	4	4
Mr H Lorimer	2	2
Mr M Noble (Member)	2	3
Mrs J Pattinson	-	2
Mr L Saunders	3	4
Cllr M Smith	1	2
Mrs J Stewart	4	4
Mr G Droogman	2	3
Mr H Murison	1	3
Mr P Smeaton	2	3
Mr S Herrington	2	2
Ms B Malby	1	2
Mr J Rickard	-	-

The Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to review the financial position of the Academy Trust and to guide and monitor the use of Academy Trust resources.

Attendance during the year was as follows:

Governor	Meetings Attended	Out of a possible
Mr G Droogman	7	7
Mrs A Duggan	8	8
Mrs S Haigh	7	8
Mrs G James	6	8
Mr L Saunders	4	7
Mr P Smeaton	7	7
Mrs J Stewart	7	8
Mrs L Wharmby	8	8
Mr J Rickard	-	-

Governance Reviews

Following an internal governance review, the Governing Body set up a Strategic Planning and Governance Committee the terms of reference for which include on-going monitoring of the Board's performance. The Board's performance is reviewed at the end of each meeting.

Ilkley Grammar School

GOVERNANCE STATEMENT

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ilkley Grammar School for the year 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 the 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Finance Team and reported to the Governing Body.

The Risk and Control Framework

The Academy Trust'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 Strategic Finance Team of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Veritau Ltd, as Responsible Officer (RO) and some internal audit is performed in addition to the RO checks. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. Initially the assistance was procured on a termly basis but during the year the Governors revised the schedule and one visit was completed.

The plan of work is carried out in line with the suggested system checks as laid out in the Academies Financial Handbook and covers the key areas of payroll, purchases, income and accounting systems. No significant issues have been noted.

Review of Effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the systems of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 15 December 2014 and signed on its behalf by:

Signed

Signed

Lindsey Wharmby
Chair of Governors

Helen Williams
Accounting Officer

Ilkley Grammar School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Signed

Helen Williams
Accounting Officer
15 December 2014

Ilkley Grammar School

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are responsible for the charitable activities of Ilkley Grammar School and four of whom are members of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the DfE/EFA 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 Academy 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 on 15 December 2014 and signed on its behalf by:

Signed

Lindsey Wharmby
Chair of Governors

Ilkley Grammar School

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILKLEY GRAMMAR SCHOOL

We have audited the financial statements of Ilkley Grammar School for the year ended 31 August 2014 on pages 15 to 31. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Ilkley Grammar School

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ILKLEY GRAMMAR SCHOOL

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Christopher Beaumont BA (Hons) FCA DChA
For and on behalf of Clive Owen & Co LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

15 December 2014

Ilkley Grammar School

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON REGULARITY TO ILKLEY GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ilkley Grammar School during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ilkley Grammar School's Accounting Officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Responsible Officer reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

Ilkley Grammar School

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON REGULARITY TO ILKLEY GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

Conclusion

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

Christopher Beaumont BA (Hons) FCA DchA

Clive Owen & Co LLP

Reporting Accountant

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

15 December 2014

Ilkley Grammar School

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2014

Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses

	<i>Notes</i>	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2014 £000	Total 2013 £000
INCOMING RESOURCES						
Income from generated funds:						
Voluntary income	2	81	-	-	81	30
Activities for generating funds	3	601	-	-	601	64
Investment income	4	12	-	-	12	10
Income from charitable activities:						
Funding for the Academy's educational operations	5	-	7,606	30	7,636	7,712
Total incoming resources		694	7,606	30	8,330	7,816
RESOURCES EXPENDED						
Charitable activities:						
Academy's educational operations	7	523	7,679	426	8,628	7,813
Governance costs	8	-	26	-	26	22
Total resources expended	6	523	7,705	426	8,654	7,835
NET (OUTGOING)/ INCOMING RESOURCES BEFORE TRANSFERS						
		171	(99)	(396)	(324)	(19)
Gross transfers between funds	15	(74)	(183)	257	-	-
NET (RESOURCES EXPENDED)/ INCOME FOR THE YEAR		97	(282)	(139)	(324)	(19)
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains on defined benefit schemes	22	-	309	-	309	168
NET MOVEMENT IN FUNDS		97	27	(139)	(15)	149
RECONCILIATION OF FUNDS						
Funds brought forward at 1 September 2013		877	(244)	12,308	12,941	12,792
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2014	15	974	(217)	12,169	12,926	12,941

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

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

The surplus for the year excluding movement on the LGPS pension scheme of £309,000, depreciation of £426,000, surplus on disposal of a fixed asset of £8,000 and the capital income of £30,000 was £72,000.

Ilkley Grammar School

BALANCE SHEET

31 August 2014

Company registration No: 07663864

	<i>Notes</i>	2014 £000's	2014 £000's	2013 £000's	2013 £000's
FIXED ASSETS					
Tangible assets	12		12,169		12,308
CURRENT ASSETS					
Debtors	13	316		231	
Cash at bank and in hand		2,486		2,407	
		<u>2,802</u>		<u>2,638</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	14	(1,312)		(1,024)	
NET CURRENT ASSETS			<u>1,490</u>		<u>1,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,659</u>		<u>13,922</u>
NET ASSETS EXCLUDING PENSION LIABILITY			13,659		13,922
Pension scheme liability	22		(733)		(981)
NET ASSETS INCLUDING PENSION LIABILITY			<u>12,926</u>		<u>12,941</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset funds	15		12,169		12,308
General funds	15		516		737
Pension reserve	15		(733)		(981)
TOTAL RESTRICTED FUNDS			<u>11,952</u>		<u>12,064</u>
TOTAL UNRESTRICTED FUNDS	15		<u>974</u>		<u>877</u>
TOTAL FUNDS			<u>12,926</u>		<u>12,941</u>

The financial statements on pages 15 to 31 were approved by the Governors and authorised for issue on 15 December 2014, and are signed on their behalf by:

Lindsey Wharmby
Chair of Governors

Ilkley Grammar School

CASH FLOW STATEMENT

For the year ended 31 August 2014

	<i>Notes</i>	2014 £000's	2013 £000's
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18	324	(3)
Returns on investments and servicing of finance	19	12	10
Capital expenditure	20	(257)	(450)
INCREASE/(DECREASE) IN CASH IN THE YEAR	21	<u>79</u>	<u>(443)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER		<u>2,407</u>	<u>2,850</u>
NET FUNDS AT 31 AUGUST	21	<u>2,486</u>	<u>2,407</u>

Ilkley Grammar School

ACCOUNTING POLICIES

For the year ended 31 August 2014

Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, are set out below.

Going Concern

The financial statements have been prepared on a going concern basis. Having carried out a detailed review of the Academy Trust's resources and the challenges presented by the current economic climate, the Governor's are confident that the Academy Trust has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Incoming Resources

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

Grants receivable

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on a receivable basis, and is stated inclusive of related tax credits.

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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

Ilkley Grammar School

ACCOUNTING POLICIES

For the year ended 31 August 2014

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, where the asset acquired or created is held for a specific purpose.

Tangible fixed assets

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Long leasehold buildings	50 years
Long leasehold land	125 years
Fixtures, fittings and equipment	5 years
Computer equipment	3 to 5 years
Motor vehicles	5 years

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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Leased assets

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

16-19 Bursary Fund

The Academy Trust administers the 16-19 Bursary Funds from the EFA. In the prior year, this was disclosed as an agency agreement and was excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. In the current year the income and expenditure have been recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The Academy Trust has not exceeded these limits during the year ended 31 August 2014.

2 Voluntary income

	Unrestricted funds £000's	Restricted funds £000's	Total 2014 £000's	Total 2013 £000's
Other donations	81	-	81	30
	<u>81</u>	<u>-</u>	<u>81</u>	<u>30</u>
	<u><u>81</u></u>	<u><u>-</u></u>	<u><u>81</u></u>	<u><u>30</u></u>

3 Activities for generating funds

	Unrestricted funds £000's	Restricted funds £000's	Total 2014 £000's	Total 2013 £000's
Catering income	10	-	10	10
Hire of facilities	60	-	60	54
Trips & Visits Income	443	-	443	-
Other Income	88	-	88	-
	<u>601</u>	<u>-</u>	<u>601</u>	<u>-</u>
	<u><u>601</u></u>	<u><u>-</u></u>	<u><u>601</u></u>	<u><u>-</u></u>

In 2013 the trips and visits income and expenses were offset as part of the agency agreement. In 2014 they have been disclosed separately in the unrestricted funds. In 2013 the trips and visits income was £368,303.

4 Investment income

	Unrestricted funds £000's	Restricted funds £000's	Total 2014 £000's	Total 2013 £000's
Bank interest received	12	-	12	10
	<u>12</u>	<u>-</u>	<u>12</u>	<u>10</u>
	<u><u>12</u></u>	<u><u>-</u></u>	<u><u>12</u></u>	<u><u>10</u></u>

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

5 Funding for the Academy's educational operations

	Unrestricted funds £000's	Restricted general funds £000's	Restricted fixed asset funds £000's	Total 2014 £000's	Total 2013 £000's
DfE/EFA grants					
General annual grant (GAG) (note 1)	-	7,395	-	7,395	7,536
Other DfE/EFA grants	-	137	-	137	58
DfE/EFA capital grants	-	-	30	30	30
	<u>-</u>	<u>7,532</u>	<u>30</u>	<u>7,562</u>	<u>7,624</u>
Other government grants					
Local authority grants	-	74	-	74	88
	<u>-</u>	<u>74</u>	<u>-</u>	<u>74</u>	<u>88</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funding for educational operations	<u>-</u>	<u>7,606</u>	<u>30</u>	<u>7,636</u>	<u>7,712</u>

6 Resources expended

	Staff costs £000's	Non pay expenditure		Total 2014 £000's	Total 2013 £000's
		Premises £000's	Other costs £000's		
Academy's educational operations					
Direct costs	5,142	426	1,141	6,709	5,986
Allocated support costs	647	991	281	1,919	1,827
	<u>5,789</u>	<u>1,417</u>	<u>1,422</u>	<u>8,628</u>	<u>7,813</u>
Governance costs					
Allocated support costs	-	-	26	26	22
	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>	<u>22</u>
Total resources expended	<u>5,789</u>	<u>1,417</u>	<u>1,448</u>	<u>8,654</u>	<u>7,835</u>

There are no instances of ex-gratia compensation payments, gifts made by the Academy Trust, fixed asset losses, stock losses, unrecoverable debts or cash losses.

	2014 £000's	2013 £000's
Incoming/outgoing resources for the period include		
Operating leases	14	16
Fees payable to auditor – audit services	10	16
Fees payable to auditor – other services	-	-
Depreciation of tangible fixed assets	434	348
Profit on disposal of tangible fixed assets	-	-

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

7 Charitable activities – educational operations

	Unrestricted general funds £000's	Restricted general funds £000's	Restricted fixed asset funds £000's	Total 2014 £000's	Total 2013 £000's
Direct costs					
Teaching and educational support staff salaries	-	5,108	-	5,108	4,950
Teaching and educational support staff costs	-	34	-	34	16
Pension fund costs	-	61	-	61	93
Agency supply costs	-	68	-	68	51
Educational supplies	523	335	-	858	363
Depreciation	-	-	426	426	348
Examination fees	-	134	-	134	140
Other direct costs	-	20	-	20	25
	<u>523</u>	<u>5,760</u>	<u>426</u>	<u>6,709</u>	<u>5,986</u>
Allocated support costs					
Support staff salaries	-	608	-	608	541
Support staff costs	-	39	-	39	14
Maintenance and occupancy costs	-	991	-	991	1,027
IT costs	-	116	-	116	141
Admin costs	-	165	-	165	102
Charitable donations	-	-	-	-	2
	<u>-</u>	<u>1,919</u>	<u>-</u>	<u>1,919</u>	<u>1,827</u>
Total educational operations costs	<u>523</u>	<u>7,679</u>	<u>426</u>	<u>8,628</u>	<u>7,813</u>

In 2013 the trips and visits income and expenses were offset as part of the agency agreement. In 2014 they have been disclosed separately in the unrestricted funds. In 2013 the trips and visits expenses were £397,739.

8 Governance costs

	Unrestricted funds £000's	Restricted general funds £000's	Total 2014 £000's	Total 2013 £000's
Legal and professional fees	-	15	15	5
Auditors remuneration:				
Audit of financial statements	-	10	10	16
Responsible officer audit	-	1	1	1
	<u>-</u>	<u>26</u>	<u>26</u>	<u>22</u>

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

9 Staff costs

	Total 2014 £000's	Total 2013 £000's
Staff costs during the period were:		
Wages and salaries	4,742	4,548
Social security costs	350	339
Pension costs	629	604
	<hr/>	<hr/>
	5,721	5,491
Supply teacher costs	68	51
Restructuring costs	-	-
	<hr/>	<hr/>
	<u>5,789</u>	<u>5,542</u>

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

	2014 No	2013 No
Teachers	82	83
Administration and support	57	54
Leadership team	10	8
	<hr/>	<hr/>
	149	145
	<hr/>	<hr/>
	2014 No	2013 No
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	<hr/>	<hr/>
	3	2
	<hr/>	<hr/>

The above employees participate in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £35,382 (2013: £24,715).

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

10 Governors' remuneration and expenses

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors. The value of Governor's remuneration, made up of gross salary plus pension fell within the following bands:

G James (Principal and Governor):	£120,000 - £125,000	(2013: £115,000 - £120,000)
A Colman (Staff Governor):	£50,000 - £55,000	(2013: £50,000 - £55,000)
V Brides (Staff Governor):	£45,000 - £50,000	(2013: £40,000 - £45,000)
J Stewart (Staff Governor):	£25,000 - £30,000	(2013: £25,000 - £30,000)

During the year ended 31 August 2014, no travel and subsistence expenses were reimbursed to Governors (2013: £nil).

11 Governors' and officers indemnity insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one. The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Long leasehold land and buildings £000's	Fixtures and fittings £000's	Computer equipment £000's	Motor vehicles £000's	Total £000's
Cost					
At 1 September 2013	12,285	85	569	14	12,953
Additions	117	47	123	14	301
Disposals	-	-	-	(14)	(14)
31 August 2014	<u>12,402</u>	<u>132</u>	<u>692</u>	<u>14</u>	<u>13,240</u>
Depreciation					
At 1 September 2013	(494)	(18)	(127)	(6)	(645)
Charged in the period	(231)	(20)	(180)	(3)	(434)
Disposals	-	-	-	8	8
31 August 2014	<u>(725)</u>	<u>(38)</u>	<u>(307)</u>	<u>(1)</u>	<u>(1,071)</u>
Net book value					
31 August 2014	<u>11,677</u>	<u>94</u>	<u>385</u>	<u>13</u>	<u>12,169</u>
31 August 2013	<u>11,791</u>	<u>67</u>	<u>442</u>	<u>8</u>	<u>12,308</u>

13 Debtors

	2014 £000's	2013 £000's
Prepayments	190	132
Other debtors	31	16
Amounts due from EFA	25	-
Other tax and social security	70	83
	<u>316</u>	<u>231</u>

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

14 Creditors: amounts falling due within one year

	2014	2013
	£000's	£000's
Trade creditors	273	-
Other taxation and social security costs	107	54
Amounts due to EFA	21	-
Accruals and deferred income	911	970
	<u>1,312</u>	<u>1,024</u>
Deferred income		
Deferred income at 1 September 2013	137	95
Resources deferred in the year	80	137
Amounts released from previous years	(137)	(95)
	<u>80</u>	<u>137</u>

The deferred income is amounts paid in advance for school trips taking place next year.

15 Funds

	At 1			Gains,	
	September	Incoming	Resources	losses and	At 31 August
	2013	resources	expended	transfers	2014
	£000's	£000's	£000's	£000's	£000's
Restricted general funds					
General Annual Grant (GAG)	242	7,395	(7,454)	(183)	-
Pupil Premium reserve	-	133	(25)	-	108
Other DfE/EFA grants	-	4	(4)	-	-
Other government grants	-	74	(74)	-	-
Funds inherited on conversion	495	-	(87)	-	408
Pension reserve	(981)	-	(61)	309	(733)
	<u>(244)</u>	<u>7,606</u>	<u>(7,705)</u>	<u>126</u>	<u>(217)</u>
Restricted fixed asset funds					
DfE capital grants	62	30	(28)	-	64
Capital expenditure from GAG	998	-	(197)	183	984
Capital expenditure from unrestricted funds	10	-	7	74	91
Assets transferred on conversion	11,238	-	(208)	-	11,030
	<u>12,308</u>	<u>30</u>	<u>(426)</u>	<u>257</u>	<u>12,169</u>
Total restricted funds	<u>12,064</u>	<u>7,636</u>	<u>(8,131)</u>	<u>383</u>	<u>11,952</u>
Unrestricted funds					
Funds inherited on conversion	726	-	-	-	726
Unrestricted funds	151	694	(523)	(74)	248
Total unrestricted funds	<u>877</u>	<u>694</u>	<u>(523)</u>	<u>(74)</u>	<u>974</u>
Total funds	<u>12,941</u>	<u>8,330</u>	<u>(8,654)</u>	<u>309</u>	<u>12,926</u>

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

15 Funds (continued)

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement. Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the Academy Trust.

A total of £183,000 has been transferred from restricted funds GAG funds to the restricted fixed asset funds, as permitted by the Accounts Direction 2013/2014. A total of £74,000 has been transferred from unrestricted funds to fixed asset funds to fund the balance of the fixed asset additions in the year.

The restricted pension fund is in deficit to the value of £733,000 as at 31 August 2014.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 1 discloses whether the limit was exceeded.

16 Analysis of net assets between funds

	Unrestricted funds £000's	Restricted general funds £000's	Restricted fixed asset funds £000's	Total funds 2014 £000's	Total funds 2013 £000's
Tangible fixed assets	-	-	12,169	12,169	12,308
Current assets	1,024	1,778	-	2,802	2,638
Current liabilities	(50)	(1,262)	-	(1,312)	(1,024)
Pension scheme liability	-	(733)	-	(733)	(981)
Total net assets	<u>974</u>	<u>(217)</u>	<u>12,169</u>	<u>12,926</u>	<u>12,941</u>

17 Financial commitments

Operating leases

At 31 August 2014 the Academy Trust had annual commitments under operating leases as follows:

	2014 £000's	2013 £000's
Land and buildings:		
Expiring within one year	-	-
	<u>-</u>	<u>-</u>

There is an ongoing lease relating to the hire of a temporary classroom, the lease can be cancelled with 3 months' notice. The cost of 3 months' rental payments is £4,000.

In early September 2014 the Academy Trust entered into a new operating lease for a further temporary classroom. It is a 3 year lease with an annual cost of £18,460.

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

	2014 £000's	2013 £000's
Net income	(324)	(19)
Depreciation (note 12)	434	348
Surplus on disposal of fixed assets	(8)	-
Capital grants from DfE and others	(30)	(30)
Interest receivable	(12)	(10)
FRS17 pension cost less contribution payable	67	87
FRS17 pension finance income	(6)	6
(Increase)/decrease in debtors	(85)	(90)
Increase/(decrease) in creditors	288	(295)
Net cash inflow/(outflow) from operating activities	<u>324</u>	<u>(3)</u>

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

19	Returns on investments and servicing of finance		
		2014	2013
		£000's	£000's
	Interest received	12	10
	Net cash inflow from returns on investments and servicing of finance	<u>12</u>	<u>10</u>

20	Capital expenditure and financial investment		
		2014	2013
		£000's	£000's
	Purchase of tangible fixed assets	(301)	(482)
	Disposal of fixed assets	14	2
	Capital grants	30	30
	Net cash outflow from capital expenditure and financial investment	<u>(257)</u>	<u>(450)</u>

21	Analysis of changes in net funds			
		At 1 September		At 31 August
		2013	Cash flows	2014
		£000's	£000's	£000's
	Cash in hand and at bank	2,407	79	2,486
		<u>2,407</u>	<u>79</u>	<u>2,486</u>

22 Pension and similar obligations

The Academy Trust'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 Mercer Limited. Both are defined-benefit schemes.

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

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

The 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.

Ilkley Grammar School

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

22 Pension and similar obligations (continued)

Valuation of the Teachers' Pensions Scheme

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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

The pension costs paid to TPS in the year amounted to £489,000 (2013: £475,000).

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the 12 months ended 31 August 2014 was £176,000 (2013: £182,300) of which employer's contributions totalled £130,000 (2013: £128,500) and employees' contribution totalled £46,000 (2013: £53,800). The agreed rates for future years are 15.1 per cent for employers and 5.5 to 12.5 per cent for employees.

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

22 Pension and similar obligations (continued)

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.

Principal actuarial assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.6%	4.7%
Rate of increase for pensions in payment	2.1%	2.8%
Discount rate	3.7%	4.5%
Inflation (CPI)	2.1%	2.8%

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

	At 31 August 2014 Years	At 31 August 2013 Years
Retiring today:		
Males	22.5	22.1
Females	25.4	24.3
Retiring in 20 years:		
Males	24.7	23.9
Females	27.7	26.2

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

	Expected return at 31 August 2014 %	Asset Split	Fair value at 31 August 2014 £000's	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000's
Equities	7.5	75.1	1,909	7.9	1,591
Government bonds	2.9	10.3	262	3.4	249
Corporate bonds	3.3	5.2	132	4.1	124
Property	6.8	3.3	84	7.4	65
Other	7.5	2.2	56	7.9	68
Cash/liquidity	1.1	3.9	99	0.9	83
Total market value of assets			2,542		2,180
Present value of scheme liabilities					
- Funded			3,275		3,161
Deficit in the scheme			(733)		(981)

The actual return on scheme assets was £242,000 (2013: £249,000).

Amounts recognised in the statement of financial activities

	2014 £000's	2013 £000's
Current service cost (net of employee contributions)	197	216
Past service cost	-	-
Total operating charge	197	216

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

22 Pension and similar obligations (continued)

Analysis of pension finance income

	2014 £000's	2013 £000's
Expected return on pension scheme assets	152	115
Interest on pension liabilities	(146)	(121)
	<u>6</u>	<u>(6)</u>
Pension finance income	<u><u>6</u></u>	<u><u>(6)</u></u>

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £(96,000).

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

	2014 £000's	2013 £000's
At 1 September	3,161	2,838
Current service cost	197	216
Interest cost	146	121
Employee contributions	46	54
Actuarial (gain)/loss	(219)	(34)
Benefits paid	(56)	(34)
Past service cost	-	-
	<u>3,275</u>	<u>3,161</u>
At 31 August	<u><u>3,275</u></u>	<u><u>3,161</u></u>

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

	2014 £000's	2013 £000's
At 1 September	2,180	1,782
Expected return on assets	152	115
Actuarial gain/(loss)	90	134
Employer contributions	130	129
Employee contributions	46	54
Benefits paid	(56)	(34)
	<u>2,542</u>	<u>2,180</u>
At 31 August	<u><u>2,542</u></u>	<u><u>2,180</u></u>

The estimated value of employer contributions for the year ended 31 August 2015 is £130,000.

Movements in deficit during period

	2014 £000's	2013 £000's
At 1 September	981	1,056
Employer service charge	197	216
Employer contributions	(130)	(129)
Net interest	(6)	6
Actuarial (gain)/loss	(309)	(168)
	<u>733</u>	<u>981</u>
At 31 August	<u><u>733</u></u>	<u><u>981</u></u>

Ilkley Grammar School
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2014

22 Pension and similar obligations (continued)

The applicable five-year history of experience adjustments is as follows:

	2014 £000's	2013 £000's	2012 £000's
Present value of defined benefit obligations	(3,275)	(3,161)	(2,838)
Fair value of share of scheme assets	2,542	2,180	1,782
Deficit in the scheme	<u>(733)</u>	<u>(981)</u>	<u>(1,056)</u>
Experience gains/(losses) on share of scheme assets			
Amount	90	134	(128)
Percentage of assets	3.5%	6.1%	7.2%
Experience gains/(losses) on scheme liabilities:			
Amount	219	34	(445)
Percentage of liabilities	2.4%	0.0%	0.0%

23 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the Board of Governors may have an interest. No such transactions were identified during the period.

24 16-19 Bursary Fund

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £24,768 (2013: £21,429) and disbursed £11,644 (2013: £15,037), leaving a balance of £13,124 (2013: £9,175) included in accruals and deferred income.

25 Members Liability

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

