

Company Registration No. 07711928 (England and Wales)

**HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Governors' report	3 - 15
Governance statement	16 - 18
Statement on regularity, propriety and compliance	19
Statement of Governors' responsibilities	20
Independent auditor's report on the accounts	21 - 22
Independent auditor's report on regularity	23 - 24
Statement of financial activities	25
Balance sheet	26
Cash flow statement	27
Notes to the financial statements	28 - 45

---

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

J. Beard (National Leader of Governance)  
C. Burgess (Community Governor) (Appointed 30 March 2014)  
R. Cameron (Resigned 1 January 2014)  
J. Carr (Community Governor)  
M. Forsyth (Staff Governor)  
C. Goodchild (Parent Governor)  
J. Hudson (Staff Governor)  
D. Kay (Staff Governor)  
A. Kolker (Parent Governor)  
J. Lee (Parent Governor)  
R. Livingstone (Chair of Governors)  
P. Lysycia (Parent Governor)  
D. Oliver (Executive Headteacher)  
M. Oliver (Community Governor)  
J. Otter (Community Governor) (Appointed 30 March 2014)  
C. Parks (Parent Governor)  
R. Parry (Community Governor)  
D. Rodick (Parent Governor)  
P. Rottier (Parent Governor)  
K. Thorley (Staff Governor)  
S. Thomas (Resigned 1 January 2014)

### Core Leadership Team

- Executive Head D. Oliver  
- Head of School J. Sharp  
- Deputy Head N. Bielby  
- Director of Business Services A. Halsall (Appointed 1 March 2014)

### Company secretary

R. Mellor

### Company registration number

07711928 (England and Wales)

### Registered office

Selkirk Drive  
Holmes Chapel  
Crewe  
Cheshire  
CW4 7DX

### Independent auditor

Jackson Stephen LLP  
James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Bankers

TSB Bank plc  
Emerson House  
Alderley Road  
Wilmslow  
Cheshire  
SK9 1AP

### Solicitors

Mills & Reeve LLP  
78-84 Colmore Row  
Birmingham  
B3 2AB

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

The Governors present their annual report together with the accounts and independent auditor's reports of the Charitable Company for the period 1 September 2013 to 31 August 2014.

### **Structure, governance and management**

#### Constitution

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

The Governors are the trustees of Holmes Chapel Comprehensive School & Sixth Form College and are also the directors of the Charitable Company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Governors' indemnities

The liability of the members (who are also directors) of the Academy is limited. The school has Professional Indemnity insurance to cover the value of £2,000,000 for any one claim. Each Governor shall benefit from this insurance which covers their liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust (unless done knowingly or with criminal intent).

#### Principal activities

The Charitable Company's principal activity is that of the provision of education for pupils mainly drawn from the area in which the school is situated.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### Method of recruitment and appointment or election of Governors

#### **Governing Body**

The Academy Trust can appoint up to 20 Members comprising 8 Parent Governors, 7 Community Governors and 5 Staff Governors (including the Executive Head).

#### **Parent Governors**

Nominations are invited from parents for the election of parent Governors to the Governing Body. Nominations are invited via HCCS newsletter and Virtual Learning Environment (VLE) for parents of children attending the school.

Each nomination must be supported by a proposer and seconder, who may be the partner of the candidate. All nominations are acknowledged. A parent may not propose or second more than one candidate. The term of office is 4 years terminating when the last child of that family leaves the school.

Elections are overseen by the clerk to the Governing Body who acts as Returning Officer. If insufficient parents stand for election the Governing Body can appoint a parent of a registered student at the school. The schedule is:

<b>Appointment process</b>	<b>Number of School Days</b>
Nominations invited	0
Nominations close	10
If no ballot is required result will be available	11
If a ballot is required ballot papers will be issued	15
Ballot papers must be returned by	25
Count	26
Result published	27

#### **Staff Governors**

The maximum number of Staff Governors is 5. The Executive Head may decide to become a Governor or not. Nominations are invited for staff employed by the school. Elections are by secret ballot. At least one staff Governor must be a teacher and at least one must be a member of HCCS Support Staff.

#### **Community Governors**

A maximum of 7 Community Governors are appointed by the Governing Body for periods of 4 years to represent community interests. Current Governors are asked to nominate individuals who will add to the skill base or experience of the Governing Body. Community Governors can be people who live or work in the community served by the school, or people who do not work or live close to the school but are committed to the good governance and success of the school.

Community Governors must be nominated and seconded by current members of the Governing Body and all members of the Governing Body vote whether to accept or reject the candidates. Parent Governors often become Community Governors when they no longer have a child registered as a student at the school. A person is disqualified from appointment as a Community Governor if he or she is eligible to be a Staff Governor at the school.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### Policies and procedures adopted for the induction and training of Governors

The Governing Body and Executive Head feel it is essential that all new Governors receive a comprehensive induction package covering a broad range of issues and topics.

All new parent and Community Governors have a personalised induction programme focussing on ensuring that new Governors receive the necessary information and support to fulfil their role with confidence.

The process is seen as an investment, leading to more effective governance and retention of Governors. All new Governors are invited to spend several induction periods (usually 2-3 morning or afternoon sessions) with the Executive Head, Deputy Head, Head of School, Director of Business Services and other key members of staff.

The purpose of this is to introduce the new Governor to the inner workings of the school and facilitate discussions on how they feel their personal and professional qualities and expertise will benefit the Academy Trust Board.

Additional induction training is also offered to all new Governors via a service bought annually by HCCS through the Local Authority to ensure extra external support networks are in place. All Governors are provided with a training programme at either their induction meeting or the next available committee meeting.

Governors select the appropriate courses when they have chosen which committee is best for them to join depending on their skills and expertise to further enhance their knowledge. The Governing Body has a designated Governor who will co-ordinate training and offer guidance and support. The Governors and Senior Leaders have access to on-line information, guidance and support system called "The Key".

HCCS currently has additional expertise and support via one of its Governors who is a National Leader of Governance (NLG). National Leaders of Governance are highly effective Governors, who use their skills and experience to support chairs of Governors in other schools and academies. They work to increase leadership capacity to help raise standards so that improvements can be sustained.

The Head of School sits on the board of Governor Network Northwest representing the interests of HCCS and CHA.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2014*

---

### Organisational structure

The Governing Body's primary role is to approve HCCS's strategic direction and objectives and monitor its progress towards those objectives. To effectively achieve this, the Governing Body operates through several committees:

- **Academy Trust Board** - Full Governors – up to 20 may be appointed. This includes an Executive Committee of 3 Governors who convene to take action in rapid response to developments needing an urgent response.
- **Accounting Officer** - Executive Headteacher

There are 5 committees which meet at least once a term plus a Pay and Performance Management Committee, comprising 3 Governors, which meets annually to review the performance of the Headteacher and review the pay of all core leadership team members. The committees are:

- Behaviour & Wellbeing
- Estates and Facilities
- Finance
- Standards
- Teaching & Learning
- Pay & Performance Management

Together, these committees provide the main strategic thrust for the planning, implementation and review cycle of Academy Development Planning. All standing committees shall consist of no fewer than five Governors, one of whom shall be the Executive Head. The Executive Head may nominate a representative. The quorum of each committee shall be three Governors. Each standing committee shall meet at least once per term and otherwise as required.

### **Executive trustees**

The three Executive trustees of the Board are the **Chair and Vice Chair** of Governors and the **Chair of the Finance Committee**. This group plus other Committee Chairs (as and where appropriate) meet when necessary to work with the Executive Head and other members of the Core Leadership Team to fine tune the school action plan and take 'Chair's Actions' in rapid response to developments requiring an immediate response. In exceptional circumstances, the three Executive Trustees can make individual spending, purchasing and virement decisions up to the value of £100,000. Where such spending decisions are made, meetings of the appropriate committees are held as soon as practically possible to scrutinise these decisions. In all the above, the Executive Committee has the delegated power to make decisions, within the agreed limitations, except where statutory requirements necessitate the support of the full Governing Body. This statement of functions and powers is reviewed annually.

### **Financial delegation**

The Governors have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Executive Head, to the lowest level. Governors are responsible for setting general policy, approving the strategic plan, adopting and approving the annual plan and budget and making major decisions about the direction of HCCS including capital expenditure and key staff appointments.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### Operational Management

HCCS's operational organisation structure consists of two primary levels: Governors and an Executive who are the Core Leadership Team (CLT). Below CLT sits an Extended Leadership Team which is informed by Faculty, Heads of Department and Support Staff meetings. CLT manage HCCS operations at an executive level; implement policies approved by Governors and report to the Academy Trust Board through various committees and at the Full Governing Body meetings. HCCS's staff are operationally led and managed by the CLT which comprises the Executive Head, Head of School, Deputy Head and Director of Business Services.

An Extended Leadership Team (ELT) comprising key team leaders and the Core Leadership Team meets weekly to discuss and review areas surrounding teaching and learning plus all other issues that affect the safe running of the school.

### Risk Management

The Governors assess the major risks to which HCCS is currently exposed and ensure that steps are taken to mitigate risks. The assessment and rating of the likelihood and impact of individual programme changes on educational outcomes for students relies on the judgement of the subject leaders, heads of faculty and their line managers. Risk is assessed in terms of 'Impact' and 'Probability'. 'Impact' can normally be broken down into a number of different areas (e.g. financial, reputational, environmental and on educational achievement). Given the nature of risks, should they arise, they will almost always have an impact that affects a number of these sub-areas.

<i>IMPACT: HCCS Definition - 'The effect that the risk will have on the subject, faculty or school's ability to achieve its strategic aims or objectives.'</i>	
High (H):	<i>Major impact on the achievement of one or more of HCCS's programmes or project's strategic aims or objectives.</i>
Medium (M):	<i>Significant impact on the achievement of one or more of HCCS's programmes or project's strategic aims or objectives.</i>
Low (L):	<i>Not expected to have a significant impact on the overall achievement of HCCS's programmes or project's strategic aims or objectives.</i>
<i>PROBABILITY: HCCS Definition - 'Likelihood of the risk happening.'</i>	
High (H):	<i>More likely to occur than not (&gt;60%)</i>
Medium (M):	<i>Fairly likely to occur (20 - 60%)</i>
Low (L):	<i>Unlikely to occur but not impossible (&lt;20%)</i>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

---

### **Inherent and residual risk**

Risk is re-assessed in light of counter-measures to assess whether either has been reduced as a result of action taken. If either has been reduced then the assessments of residual risk is recorded and monitored using a risk register in discussion with senior management and where appropriate, the Governing Body. The strategic management of risk is undertaken through Governing Body committees and includes Educational risks such as HCCS not achieving planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. Some significant risks such as public and employee liability are covered by HCCS's comprehensive insurance policy cover. Governors direct a formal risk register which should be reviewed at least annually.

### **Financial risk**

HCCS operates a system of internal financial controls and these are reviewed by HCCS's auditors and by the Responsible Officer and the Department for Education. At the request of the Education Funding Agency, HCCS self-assessed its financial management and governance arrangements for the period from September 2011 to February 2012 using the robust Department for Education *Financial Management and Governance Evaluation* return (FMGE). HCCS's self-assessed grades were confirmed by the Education Funding Agency as 'Good' overall (Outstanding in some areas) across Financial Oversight, Financial Planning, Internal Control, Financial Monitoring and Proper Use of Public Funds.

The Governors acknowledge their role as per the Statement of Governors' Responsibilities.

HCCS's system of internal financial control is based on a framework of regular management information and administrative procedures including as far as is possible, the segregation of duties and a system of delegation and accountability. It includes:

- full financial reports to every Finance and Full Governors committee meetings on the position of HCCS with disclosure and scrutiny of income and expenditure against projected budget;
- a comprehensive set of financial rules and procedures;
- formal budgetary delegation in writing to budget holders along with explanatory notes on financial procedures for placing orders etc;
- the identification and management of risks;
- A system of internal audit.

The Academy Trust has in place a programme for regular internal audits that look to test key processes and procedures on a risk priority basis. Each internal audit report will be presented to the Trust Board via the Finance Committee. Internal audit reports will include a series of suggested actions to strengthen controls.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2014*

---

### Connected organisations and related party relationships

#### **Chimney House Alliance (CHA)**

In 2012, the 10 Cheshire East based members of the former partnership group formed a company limited by guarantee called the Chimney House Teaching School Foundation to develop and deliver the collective collaborative Teaching School action plan. The CHA is the body that delivers a comprehensive programme of continuing professional development (CPD) across the schools within its membership. The organisation is based at HCCS and the Executive Head Teacher has a key role in the strategic development of the company. All Head Teachers from the member schools are directors of the company.

#### **Holmes Chapel and District Community Partnership**

The Holmes Chapel and District Community Partnership (HCDPC) is made up of the Head Teachers of all of the schools that serve the Holmes Chapel community. In 2012 it was established as a standalone company limited by guarantee with two strategic intents:

- To develop more effective Learning and Teaching by sharing best practice, valuing, celebrating and developing talents whilst challenging and addressing underachievement and identifying and removing barriers to learning; and
- To promote Lifelong Learning through widening participation by involving our community and providing responsive opportunities and services.

The partnership now has a Business Manager and Family Support Worker to actively take forward the strategic and operational activities of the group. All member schools pay an annual membership fee to the HCDPC.

### **Objectives and activities**

#### Objects and aims

HCCS is a Comprehensive Secondary School and Sixth Form College founded in 1978 and located in Holmes Chapel, Cheshire. Its object is to advance the public benefit of education by establishing, maintaining, carrying on, managing and developing a school which offers a broad and balanced curriculum.

It is the HCCS's aim to 'Prepare learners for a changing world' and works to ensure each student both realises his/her full academic, creative and physical potential and develops positive social and moral values. HCCS firmly believes that students, staff and parents should be part of a happy and caring environment.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

---

#### Objectives, strategies and activities

HCCS strives to continually raise the standard of educational attainment and achievement of all students by providing a broad and balanced curriculum, including extra-curricular and enrichment activities. HCCS's key aims for the year were to:

- Set, maintain and improve the highest standards in all that we do;
- Ensure that challenge, support and leadership drive forward our ethos of continuous improvement;
- Develop pathways and ways of learning which meet the needs of our learners;
- Develop a structure and strategy for giving the extra help that each child needs;
- Continue to improve the learning environment, quality of resources and support systems;
- Ensure the safety and wellbeing of all the members of our school community;
- Work collaboratively to develop our communities and partnerships;
- Develop students as effective and independent learners;
- Develop the infrastructure of the school to ensure it supports students to achieve their full potential;
- Ensure every student enjoys the same high quality of education in terms of resourcing, teaching and care;
- Reviewing the curriculum and organisational structure;
- Maximise student academic performance in line with national and local key performance indicators;
- Raise attainment within post-16 subjects;
- Fulfil its role as a National Teaching School and leading edge education provider;
- Maintain close links with industry and other key partners;
- Complete the development of the new Sixth Form and Arts Buildings;
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness;
- Continue to develop the footprint and provision of the Science Learning Partnership Network across Cheshire and Warrington.

#### Public benefit

HCCS recognises its legal requirement to be able to clearly demonstrate that its aims are for public benefit. In this case, specifically, the school has, as its main charitable purpose, the advancement of education. HCCS offers a broad curriculum to pupils of all abilities aged from 11-19 who come from varied socio-economic backgrounds in a semi-rural catchment area.

Furthermore, the Governors pay due regards to Charity Commission guidance on public benefit beyond the provision of secondary education. It conducts its business with a strong policy of working jointly with others to promote public use of the buildings and land onsite for sport, and tuition to the benefit of the wider community.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### **Achievements and performance**

#### Achievements in the year

HCCS is an Ofsted-rated Outstanding school. The school was awarded National Teaching School status in July 2011 and is accredited with both Sportsmark and Artsmark awards. HCCS consistently performs well in academic performance League Tables.

High expectations, excellent teaching, an exciting learning environment, an emphasis on the core purpose of helping students to learn and achieve, combined with a strong, caring pastoral system, ensure that students of all abilities achieve their potential. Outstanding examination results at GCSE and Advanced Level are consistently amongst the highest within Cheshire and nationally.

Teachers, students, support staff, parents and Governors work collectively to nurture the well-established ethos of challenge, care, consideration and co-operation which '*prepare learners for a changing world*'. There is a strong shared belief that children bring their own particular skills and talents and we aim to recognise, acknowledge and build on them. HCCS places the highest priority on meeting the needs of individual students in all fields of endeavour.

### **Standards and Attainment**

Results are as yet unverified and still subject to amendment. However they are at the very least 'good' and in many subjects and faculties 'outstanding'. Key Stage 5 level 3 added measures and ALPS A level subject review demonstrates clear added value for all subjects which delivered results at or above their expected target values.

### **Teaching School**

HCCS is a National Teaching School which has consistently delivered outstanding results across key national education initiatives including:

- Initial Teacher Training
- CPD / Leadership Development
- Succession Planning/Talent Management
- School to School Support
- Specialist Leaders of Education (SLEs)
- Research and Development

Achievements across **all** these areas are outstanding and HCCS now enjoys a well-deserved reputation as a lead alliance school regionally in the North West of England. Following a robust review by the National College of Teaching and Leadership HCCS has been re-designated as a National Teaching School for a further four years.

The ethos of HCCS is to strive to maintain and continually improve its mutually supportive community approach in a world where people and organisations are seemingly becoming more and more reluctant to support each other in a challenging climate of severe economic recession.

### **Curriculum Priorities**

Following extensive consultation HCCS now has a set of underpinning principles which guide the school in its policy making and implementation. The Curriculum - together with HCCS's strong, positive ethos and values – are key drivers in achieving the Academy's mission of '*preparing our learners for a changing world*'.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2014*

---

### **Key Principles**

The Curriculum at HCCS:

- Focuses on the development of the whole individual;
- Ensures equality of opportunity in learning;
- Provides personalised pathways and alternative ways of learning;
- Inspires 'drive', 'commitment' and 'passion';
- Promotes high standards, success and achievement;
- Embodies responsibilities, entitlements, safety & wellbeing;
- Develops respect, tolerance and courtesy; and
- Reflects the learners' place in their communities.

### **Disabled People**

HCCS recognises its responsibilities under the Disability Discrimination Act. As there is a general duty to promote disability equality for all people with disabilities HCCS actively:

- Promotes equality of opportunity between disabled people and other people;
- Eradicates any unlawful discrimination;
- Eliminates any disability-related harassment;
- Promotes positive attitudes towards disabled people;
- Encourages participation by disabled people in public life; and
- Takes positive, practical steps to take account of and meet the needs of people with disabilities.

### **Accessibility**

Specific disability legislation exists where students with disabilities are concerned and HCCS demonstrates a strategic commitment over time to:

- Increase access to the curriculum;
- Make improvements to the physical environment of the school to improve access; and
- Make written information available to students in a range of different ways.

HCCS ensures that students with disabilities do not receive less favourable treatment and is committed to making reasonable adjustments to improve and enhance the student experience.

### **Equal opportunities**

#### Rationale

- Every member of HCCS has the right to be treated equally.
- A principal aim of education is to develop individual potential to the full. This can only be achieved if there is equality of opportunity for all within the school.
- Inequalities of opportunity need to be addressed to guarantee that individuals can share the full range of educational experiences to which they are entitled.

#### Purposes

- To ensure that no member of HCCS suffers discrimination for whatever reason.
- To ensure that all students can participate in the full range of educational experiences to which they are entitled.
- To recognise, acknowledge and respect all aspects of diversity.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### Guidelines

- Expressions of prejudice should always be challenged with any concern referred to the Pastoral Coordinator or any other member of the Leadership Team.
- Materials, ideas and role models presented to students should encompass as wide a range of diversity as possible and challenge stereotypes.
- The curriculum, subject organisation and pastoral organisation will not stereotype members of the community or allow them to stereotype themselves.
- Equal Opportunity issues will be taken into account when planning the social organisation of students.
- A regular audit of the school's curriculum and practice will take place to monitor whether equality of opportunity is achieved.
- HCCS will seek to use the teaching strategies which are most effective in promoting quality and generating positive self-images.
- Equality of opportunity will be available to all staff to enable them to develop their full potential within their careers.
- A "Respect Charter" encapsulating the principles of equal opportunity has been prepared following extensive consultation. The Charter is displayed prominently throughout the school and regular reference made to it.

### **Closing the Gap**

Pupil Premium Students, now referred to as Disadvantaged Students, performed extremely well at our school in 2014 as the Year 11 examination cohort. This year we doubled the 5A\* to C rate including English and Maths for Disadvantaged Students from the DfE figure for 2013 of 31% to our current figure of 62.5%. Our in school gap between Disadvantaged and Non-Disadvantaged students has been reduced from 46 percentage points (DfE data) to 3.5 percentage points (School data) a reduction of 42.5 percentage points. Our pre-examination data gave us an expected gap of around 14 percentage points however this was further narrowed due to changes in our overall 5A\* to C rate. In 2014 75% of Disadvantaged Students at HCCS gained a C in English with 81% gaining a C in Maths. This is an increase of 25% in English attainment and a 31% increase in Maths attainment for Disadvantaged Students in comparison with 2013 attainment figures. Of the Disadvantaged Students who were estimated to achieve at least 5 GCSE grades at C or above 69% achieved their targets. In 2014 75% of Disadvantaged Students made the expected levels of progress in English, an increase of 12% from 2013. In Maths at HCCS 75% of Disadvantaged Students made the expected levels of progress, an increase of 25% from 2013.

In 2013/14, we received an additional income of £68,400 allocated to intervention programmes to support the attainment and progress of Disadvantaged Students. This has been spent on interventions to support the learning of Disadvantaged Students including curriculum and subject specific focused programmes, specialist programmes to provide additionality in core subjects, additional specialist staffing in Maths, English and Science, welfare and behavioural support and programmes designed to provide fair access to school and learning. The programme of support is at a whole school level and exists as an integral part of the wider intervention programme.

### **Building Development**

During this year the major building development involving the construction of our new Sixth Form College and Arts building was completed and handed over to us in July 2014. During the summer, further internal works and additional items were also completed successfully which enabled us to open to students for the new academic year in September 2014. The major building work was funded via a successful bid for capital however; the governing body have also invested significant additional resources to ensure that our students get the very best learning environment possible. The new development includes a state of the art performance theatre, a sixth form café, a large study area complete with all new IT infrastructure and climate control and five classrooms.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2014*

---

Other significant investments in school infrastructure included:

- Two new classrooms;
- Total refurbishment of food technology room;
- Refurbishment of one IT classroom;
- Major step towards virtual desktops;
- £100k investment in curriculum enhancement; and
- Conversion of modular buildings into teaching and learning spaces for children with additional needs.

### Going concern

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

### **Financial review**

Most of HCCS's recurrent income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2014, HCCS received recurrent income of £6,054,191 from the DfE in respect of General Annual Grant and other Government funding. Expenditure for the year amounted to £6,450,310.

Unrestricted income totalled £243,301 for the year. Against this resources expended totalled £27,456, resulting in net unrestricted funds of £215,845.

HCCS also receives grants for fixed assets from the DfE. In accordance with the SORP, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation.

At 31 August 2014 the net assets excluding the pension liability was £20,853,950. The assets were used exclusively for providing education and the associated support services to the pupils of the school.

### Principal risks and uncertainties

A full system of internal control has been established and Governors continually review financial procedures and controls as necessary.

Governors consider and monitor the potential risks arising from the Academy's operations. They assess the materiality and likelihood of risks occurring and determine the actions that are needed to reduce and mitigate these risks. A formal risk register has been established and will be reviewed at least annually by the finance committee.

### Reserves policy

The Governors review the level of reserves of the Academy on an at least annual basis. This review encompasses the nature of the income and expenditure streams, the need to match them with commitments and the nature of the reserves.

The Academy's 'free' reserves are those reserves remaining after excluding restricted and designated funds. These reserves can therefore be spent on any of the Academy's charitable objectives. The Governors consider these free reserves and are reviewing what level of free reserves are considered necessary to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with urgent unforeseen costs, for example emergency repairs. The Academy's free reserves as at 31 August 2014 are £672,732, which amounts to 6 weeks' expenditure.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### Investment policy and powers

The Governors ensure that sufficient funds are available at short or no notice to meet requirements as and when necessary, while still continuing to earn an acceptable rate of return without undue risk.

### **Plans for the future**

#### Key Objectives:

1. Maintain and improve standards in exam performance, behaviour and uniform
2. Move towards achieving the vision communicated in the school facilities master-plan to establish facilities which support the needs and aspirations of the school and communities that it serves
3. Increase the accommodation capacity to cater for the significant additional need for school places as a result of the extensive residential development of Holmes Chapel and District
4. Complete the development of the Arts and Sixth Form project which is integral to both the needs of the school and the community
5. Successfully bid to the ACMF for support in 3 key areas
  - Improving energy efficiency
  - Reconfiguring areas of the school to increase capacity and efficiency
  - Provide PE and Sports facilities which are fit for purpose
6. Continue to improve teaching and learning through the professional learning of the school workforce at HCCS and across the CHA
7. Develop Science Learning Partnership (national licence holder) to provide professional learning in Science at all levels of the school workforce
8. Continue to build partnerships with the communities that we serve particularly support primary partners in the implementation of the new National Curriculum

### **Auditor**

In so far as the Governors are aware:

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

A resolution proposing that Jackson Stephen LLP be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the Board of Governors on 08 December 2014 and signed on its behalf by:

  
R. Livingstone (Chair of Governors)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

---

### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Holmes Chapel Comprehensive School & Sixth Form College 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 Board of Governors has delegated the day-to-day responsibility to the executive head, 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 Holmes Chapel Comprehensive School & Sixth Form College and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors 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 Board of Governors has formally met 34 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J. Beard (National Leader of Governance)	1	3
C. Burgess (Community Governor) (Appointed 30 March 2014)	6	6
R. Cameron (Resigned 1 January 2014)	0	0
J. Carr (Community Governor)	10	10
M. Forsyth (Staff Governor)	9	10
C. Goodchild (Parent Governor)	7	14
J. Hudson (Staff Governor)	18	24
D. Kay (Staff Governor)	7	10
A. Kolker (Parent Governor)	14	16
J. Lee (Parent Governor)	15	16
R. Livingstone (Chair of Governors)	13	14
P. Lysyia (Parent Governor)	12	19
D. Oliver (Executive Headteacher)	30	34
M. Oliver (Community Governor)	12	14
J. Otter (Community Governor) (Appointed 30 March 2014)	2	2
C. Parks (Parent Governor)	29	33
R. Parry (Community Governor)	12	14
D. Rodick (Parent Governor)	19	20
P. Rottier (Parent Governor)	11	16
K. Thorley (Staff Governor)	8	10
S. Thomas (Resigned 1 January 2014)	0	0

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

---

The finance and general purposes committee is a sub-committee of the main Board of Governors. Its purpose is to:

- participate in annual and longer-term planning as part of whole-school development planning, and agree an annual budget for recommendation to the full Governing Body;
- monitor the school's budget;
- monitor the school's financial procedures (including auditing arrangements);
- decide how many of the priorities identified for development by other committees, can be afforded in any one year;
- consider ways of achieving the priorities decided by other Committees;
- consider, and respond to, any alterations in the LMS scheme and any developments, locally or nationally, in the funding of the education service;
- make or delegate individual spending, purchasing and virement decisions or recommendations, in accordance with the School Development Plan, as follows:
  - make individual spending, purchasing and virement decisions up to the value of £100,000;
  - make individual spending, purchasing and virement recommendations above the value of £100,000; and
  - delegate to the Executive Head individual spending, purchasing and virement recommendations up to the value of £50,000.

#### **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 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 Holmes Chapel Comprehensive School & Sixth Form College for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of Governors 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 Board of Governors 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 period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

#### **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 Board of Governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has in place a programme for internal audit based on the testing of the key processes and controls. The internal audit function is carried out by an independent auditor and the details of the audits are reported to the Finance Committee in the first instance.

---

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2014*

---

### Review of effectiveness

As accounting officer the executive head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 08 December 2014 and signed on its behalf by:



R. Livingstone (Chair of Governors)



D. Oliver (Executive Headteacher)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014

---

As accounting officer of Holmes Chapel Comprehensive School & Sixth Form College I have considered my responsibility to notify the Academy Trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the Academy Trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust's Board of Governors 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.

Approved on 08 December 2014 and signed by:



D. Oliver (Executive Headteacher)  
**Accounting Officer**

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

---

The Governors (who act as trustees for Holmes Chapel Comprehensive School & Sixth Form College and are also the directors of Holmes Chapel Comprehensive School & Sixth Form College for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 08 December 2014 and signed on its behalf by:



R. Livingstone (Chair of Governors)

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

---

We have audited the accounts of Holmes Chapel Comprehensive School & Sixth Form College for the year ended 31 August 2014 set out on pages 25 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 issued by the EFA.

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

#### **Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 20, the Governors, who are also the directors of Holmes Chapel Comprehensive School & Sixth Form College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Basis for qualified opinion on financial statements**

The notes to the financial statements do not disclose the remuneration paid to individual Staff Governors in the year. The Governors have chosen to omit this information on the grounds of personal privacy and in their opinion Staff Governors are not remunerated for this role. This information has not been made available to us, and therefore cannot be included in this report. Such an omission is not compliant with the Academies Accounts Direction 2014 issued by the Education Funding Agency.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

---

#### Opinion on other matter prescribed by the Companies Act 2006

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

#### Matters on which we are required to report by exception

In respect solely of the omission described above:

- certain disclosures of Governors' remuneration specified by law have not been made.

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 accounts are not in agreement with the accounting records and returns; or
- except for as disclosed above, we have not received all the information and explanations we require for our audit.

*Jackson Stepler LLP*

**Mr Peter Atkinson F.C.A. (Senior Statutory Auditor)**  
for and on behalf of Jackson Stepler LLP

#### Chartered Accountants

#### Statutory Auditor

James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

Dated: *19 December 2014*



# **HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 22 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holmes Chapel Comprehensive School & Sixth Form College 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 Holmes Chapel Comprehensive School & Sixth Form College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Holmes Chapel Comprehensive School & Sixth Form College 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 the Holmes Chapel Comprehensive School & Sixth Form College and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Holmes Chapel Comprehensive School & Sixth Form College's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Holmes Chapel Comprehensive School & Sixth Form College's funding agreement with the Secretary of State for Education 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 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 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.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE AND THE EDUCATION FUNDING AGENCY (CONTINUED)

---

### 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.

*Jackson Stepler LLP*

**Mr Peter Atkinson F.C.A. (Senior Statutory Auditor)  
for and on behalf of Jackson Stephen LLP**

Dated: *19 December 2014*

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Activities for generating funds	3	240,050	-	-	240,050	161,014
- Investment income	4	3,251	-	-	3,251	2,100
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	6,054,191	1,958,930	8,013,121	7,078,807
<b>Total incoming resources</b>		<b>243,301</b>	<b>6,054,191</b>	<b>1,958,930</b>	<b>8,256,422</b>	<b>7,241,921</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Costs of activities for generating funds	6	27,456	-	-	27,456	32,349
<i>Charitable activities</i>						
- Educational operations	7	-	5,973,165	462,970	6,436,135	6,407,690
Governance costs	8	-	14,175	-	14,175	12,419
<b>Total resources expended</b>	<b>6</b>	<b>27,456</b>	<b>5,987,340</b>	<b>462,970</b>	<b>6,477,766</b>	<b>6,452,458</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>215,845</b>	<b>66,851</b>	<b>1,495,960</b>	<b>1,778,656</b>	<b>789,463</b>
Gross transfers between funds		-	(503,847)	503,847	-	-
<b>Net income/(expenditure) for the year</b>		<b>215,845</b>	<b>(436,996)</b>	<b>1,999,807</b>	<b>1,778,656</b>	<b>789,463</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(389,000)	-	(389,000)	(89,000)
<b>Net movement in funds</b>		<b>215,845</b>	<b>(825,996)</b>	<b>1,999,807</b>	<b>1,389,656</b>	<b>700,463</b>
Fund balances at 1 September 2013		456,887	1,015,189	17,253,218	18,725,294	18,024,831
<b>Fund balances at 31 August 2014</b>		<b>672,732</b>	<b>189,193</b>	<b>19,253,025</b>	<b>20,114,950</b>	<b>18,725,294</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		19,253,025		17,253,218
<b>Current assets</b>					
Debtors	12	395,385		476,857	
Cash at bank and in hand		2,271,652		2,600,125	
			2,667,037		3,076,982
<b>Creditors: amounts falling due within one year</b>	13	(1,066,112)		(1,308,906)	
<b>Net current assets</b>			1,600,925		1,768,076
<b>Total assets less current liabilities</b>			20,853,950		19,021,294
Defined benefit pension liability	17		(739,000)		(296,000)
<b>Net assets</b>			20,114,950		18,725,294
<b>Funds of the Academy Trust:</b>					
<b>Restricted income funds</b>	15				
- Fixed asset funds			19,253,025		17,253,218
- General funds			928,193		1,311,189
- Pension reserve			(739,000)		(296,000)
<b>Total restricted funds</b>			19,442,218		18,268,407
<b>Unrestricted funds</b>	15		672,732		456,887
<b>Total funds</b>			20,114,950		18,725,294

The accounts were approved by order of the Board of Governors and authorised for issue on 08 December 2014.



R. Livingstone (Chair of Governors)

Company Number 07711928

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	£	2014 £	£	2013 £
Net cash inflow from operating activities	18		192,382		1,241,410
<b>Returns on investments and servicing of finance</b>					
Investment income		3,251		2,100	
<b>Net cash inflow from returns on investments and servicing of finance</b>					
			3,251		2,100
			195,633		1,243,510
<b>Capital expenditure and financial investments</b>					
Capital grants received		1,958,930		-	
Payments to acquire tangible fixed assets		(2,483,036)		(254,239)	
<b>Net cash outflow from capital activities</b>					
			(524,106)		(254,239)
<b>(Decrease)/increase in cash</b>	19		<b>(328,473)</b>		<b>989,271</b>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2014

---

#### 1 Accounting policies

##### 1.1 Basis of preparation

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

##### 1.2 Going concern

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

The Governors consider the charitable company a going concern.

##### 1.3 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.

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

##### Other income

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

##### Donated services and gifts in kind

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

---

### 1 Accounting policies

(Continued)

#### 1.4 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.

#### Costs of generating funds

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

#### Charitable activities

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

#### Governance costs

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold land is not depreciated	
Freehold buildings	2% per annum straight line basis
Fixtures, fittings and equipment	10% - 25% per annum straight line basis
Motor vehicles	33% per annum straight line basis

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

#### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

---

### 1 Accounting policies

(Continued)

#### 1.7 Taxation

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

#### 1.8 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 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 17, 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 are 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.

#### 1.9 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 2 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.

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	3,719	-	3,719	9,344
Provision of Training and Courses	36,730	-	36,730	26,888
Other Income	199,601	-	199,601	124,782
	<u>240,050</u>	<u>-</u>	<u>240,050</u>	<u>161,014</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other investment income	3,251	-	3,251	2,100
	<u>3,251</u>	<u>-</u>	<u>3,251</u>	<u>2,100</u>

### 5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA revenue grants</b>				
General annual grant (GAG)	-	5,685,703	5,685,703	5,812,307
Capital grants	-	1,958,930	1,958,930	839,542
Other DfE / EFA grants	-	74,852	74,852	55,935
	<u>-</u>	<u>7,719,485</u>	<u>7,719,485</u>	<u>6,707,784</u>
<b>Other government grants</b>				
Local authority grants	-	248,998	248,998	284,074
Other grants	-	44,638	44,638	86,949
	<u>-</u>	<u>293,636</u>	<u>293,636</u>	<u>371,023</u>
<b>Total funding</b>	<u>-</u>	<u>8,013,121</u>	<u>8,013,121</u>	<u>7,078,807</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	4,161,211	-	213,436	4,374,647	4,342,470
- Allocated support costs	644,260	863,194	554,034	2,061,488	2,065,220
	<u>4,805,471</u>	<u>863,194</u>	<u>767,470</u>	<u>6,436,135</u>	<u>6,407,690</u>
<b>Other expenditure</b>					
Costs of activities for generating funds	-	-	27,456	27,456	32,349
Governance costs	-	-	14,175	14,175	12,419
	<u>-</u>	<u>-</u>	<u>41,631</u>	<u>41,631</u>	<u>44,768</u>
<b>Total expenditure</b>	<u>4,805,471</u>	<u>863,194</u>	<u>809,101</u>	<u>6,477,766</u>	<u>6,452,458</u>

### Incoming/(outgoing) resources for the year include:

	2014 £	2013 £
Operating leases	28,163	25,298
Fees payable to auditor		
- Audit	7,850	7,650
- Other services	1,675	2,380
- Depreciation	462,970	422,623
	<u></u>	<u></u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Charitable activities - the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,161,211	4,161,211	4,155,050
Educational supplies and services	-	77,479	77,479	74,931
Examination fees	-	90,115	90,115	86,255
Other direct costs	-	45,842	45,842	26,234
	-	4,374,647	4,374,647	4,342,470
<b>Allocated support costs</b>				
Support staff costs	-	644,260	644,260	618,716
Depreciation	-	462,970	462,970	422,623
Technology costs	-	96,347	96,347	82,629
Maintenance of premises and equipment	-	400,224	400,224	358,301
Cleaning	-	84,735	84,735	102,388
Energy costs	-	76,840	76,840	113,721
Rent and rates	-	39,762	39,762	40,051
Insurance	-	38,871	38,871	39,717
Security and transport	-	12,817	12,817	27,729
Interest and finance costs	-	2,000	2,000	7,000
Other support costs	-	202,662	202,662	252,345
	-	2,061,488	2,061,488	2,065,220
<b>Total costs</b>	-	6,436,135	6,436,135	6,407,690

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Auditor's remuneration				
- Audit of financial statements	-	7,850	7,850	7,650
- Other audit costs	-	1,675	1,675	2,380
Responsible officer costs	-	600	600	-
Governors' reimbursed expenses	-	4,050	4,050	2,389
	-	14,175	14,175	12,419

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 9 Staff costs

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

	2014 Number	2013 Number
Teachers	61	62
Administration and support	52	52
Management	13	12
	126	126
	126	126

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	3,581,585	3,757,407
Social security costs	276,659	284,225
Other pension costs	898,125	674,168
	4,756,369	4,715,800
Supply teacher costs	49,102	57,966
	4,805,471	4,773,766
	4,805,471	4,773,766

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	1	3

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	3	3
	£	35,748	35,255
Local Government Pension Scheme	Numbers	-	-
	£	-	-
		-	-

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

---

### 10 Governors' remuneration and expenses

Executive Head and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

The value of Governors' remuneration was as follows:

Executive Head: £120,736 (2013: £112,488)

During the year ended 31 August 2014 expenses totalling £4,050 (2013: £2,389) were reimbursed to Governors.

Other related party transactions involving the Governors are set out within the related parties note.

The notes to the financial statements do not disclose the remuneration paid to individual Staff Governors in the year. The Governors have chosen to omit this information on the grounds of personal privacy and the fact that Staff Governors are not remunerated for this role which is in law, voluntary. Disclosure of their salaries is deemed wholly inappropriate and a violation of their rights in terms of personal information disclosure. The Governing body voted unanimously to record this and fully understand that such an omission is not compliant with the Academies: Accounts Direction 2014 issued by the Education Funding Agency.

#### **Governors' and officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £100.

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2013	16,403,612	1,427,826	32,970	17,864,408
Additions	2,343,582	139,454	-	2,483,036
Disposals	(10,670)	(9,589)	-	(20,259)
Transfers	-	(7,000)	7,000	-
	<u>18,736,524</u>	<u>1,550,691</u>	<u>39,970</u>	<u>20,327,185</u>
<b>Depreciation</b>				
At 1 September 2013	292,016	312,827	6,347	611,190
Charge for the year	216,146	233,826	12,998	462,970
	<u>508,162</u>	<u>546,653</u>	<u>19,345</u>	<u>1,074,160</u>
<b>Net book value</b>				
At 31 August 2014	<u>18,228,362</u>	<u>1,004,038</u>	<u>20,625</u>	<u>19,253,025</u>
At 31 August 2013	<u>16,111,596</u>	<u>1,114,999</u>	<u>26,623</u>	<u>17,253,218</u>

Included within freehold land and buildings in an amount of £5,400,000 attributable to land which is not depreciated.

12 Debtors	2014	2013
	£	£
Trade debtors	173,399	31,129
Other debtors	155,436	208,431
Prepayments and accrued income	66,550	237,297
	<u>395,385</u>	<u>476,857</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

13 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	470,399	626,880
Taxes and social security costs	104,170	97,909
Other creditors	327,642	329,152
Accruals	142,861	254,965
Deferred income	21,040	-
	<u>1,066,112</u>	<u>1,308,906</u>
14 Deferred income	2014 £	2013 £
Deferred income is included within:		
Creditors due within one year	<u>21,040</u>	<u>-</u>
Total deferred income at 1 September 2013	-	-
Amounts credited to the statement of financial activities	-	-
Amounts deferred in the year	<u>21,040</u>	<u>-</u>
<b>Total deferred income at 31 August 2014</b>	<u><u>21,040</u></u>	<u><u>-</u></u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	900,645	5,685,703	(5,477,851)	(180,304)	928,193
Other DfE / EFA grants	-	74,852	(74,852)	-	-
Other government grants	410,544	293,636	(380,637)	(323,543)	-
	<u>1,311,189</u>	<u>6,054,191</u>	<u>(5,933,340)</u>	<u>(503,847)</u>	<u>928,193</u>
Funds excluding pensions	1,311,189	6,054,191	(5,933,340)	(503,847)	928,193
Pension reserve	(296,000)	-	(54,000)	(389,000)	(739,000)
	<u>1,015,189</u>	<u>6,054,191</u>	<u>(5,987,340)</u>	<u>(892,847)</u>	<u>189,193</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	16,959,354	1,958,930	(376,409)	323,543	18,865,418
Capital expenditure from GAG or other funds	293,864	-	(86,561)	180,304	387,607
	<u>17,253,218</u>	<u>1,958,930</u>	<u>(462,970)</u>	<u>503,847</u>	<u>19,253,025</u>
<b>Total restricted funds</b>	<u>18,268,407</u>	<u>8,013,121</u>	<u>(6,450,310)</u>	<u>(389,000)</u>	<u>19,442,218</u>
<b>Unrestricted funds</b>					
General funds	456,887	243,301	(27,456)	-	672,732
	<u>456,887</u>	<u>243,301</u>	<u>(27,456)</u>	<u>-</u>	<u>672,732</u>
<b>Total funds</b>	<u>18,725,294</u>	<u>8,256,422</u>	<u>(6,477,766)</u>	<u>(389,000)</u>	<u>20,114,950</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE/EFA grants include Pupil Premium and Post 16 Bursary, all relating to funding to assist pupils within the Academy.

Other government grants relate to SEN funding for particular pupils and Devolved Formula Capital for the maintenance of the Academy.

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 2 discloses whether the limit was exceeded.



# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	19,253,025	19,253,025
Current assets	786,308	1,880,729	-	2,667,037
Creditors: amounts falling due within one year	(113,576)	(952,536)	-	(1,066,112)
Defined benefit pension liability	-	(739,000)	-	(739,000)
	672,732	189,193	19,253,025	20,114,950
	672,732	189,193	19,253,025	20,114,950

### 17 Pensions 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 Cheshire West and Chester Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2014.

Contributions amounting to £54,134 (2013: £52,609) were payable to the schemes at 31 August 2014 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

##### The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

---

### 17 Pensions and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

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

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

#### Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21 per cent for employers and 6 per cent for employees. The estimated value of employer contributions for the forthcoming year is £222,000.

	2014 £	2013 £
Employer's contributions	169,000	151,000
Employees' contributions	51,000	46,000
	<u>220,000</u>	<u>197,000</u>
Total contributions	<u>220,000</u>	<u>197,000</u>

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.50	5.10
Rate of increase for pensions in payment	2.70	2.80
Discount rate for scheme liabilities	3.70	4.60
Inflation assumption (CPI)	5.60	5.90

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

	2014 Years	2013 Years
Retiring today		
- Males	22	23
- Females	24	26
Retiring in 20 years		
- Males	24	25
- Females	27	28

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.30	698,000	6.60	673,000
Bonds	2.90	134,000	3.50	117,000
Property	4.50	67,000	4.70	54,000
Other assets	3.30	57,000	3.60	54,000
		<u>956,000</u>		<u>898,000</u>
Total market value of assets		956,000		898,000
Present value of scheme liabilities - funded		(1,695,000)		(1,194,000)
		<u>(739,000)</u>		<u>(296,000)</u>
Net pension asset / (liability)		(739,000)		(296,000)

### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(59,000)	(34,000)
Interest on pension liabilities	61,000	41,000
	<u>2,000</u>	<u>7,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	221,000	193,000
Past service cost	-	-
	<u>221,000</u>	<u>193,000</u>
<b>Total operating charge/(income)</b>	<u>223,000</u>	<u>200,000</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

<b>17</b>	<b>Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Actuarial gains and losses recognised in the statement of financial activities</b>			
	<b>2014</b>	<b>2013</b>	
	<b>£</b>	<b>£</b>	
Actuarial (gains)/losses on assets: actual return less expected	-	-	
Experience (gains)/losses on liabilities	389,000	89,000	
(Gains)/losses arising from changes in assumptions	-	-	
	<hr/>	<hr/>	
Total (gains)/losses	389,000	89,000	
	<hr/> <hr/>	<hr/> <hr/>	
Cumulative (gains)/losses to date	636,000	247,000	
	<hr/> <hr/>	<hr/> <hr/>	
<b>Movements in the present value of defined benefit obligations were as follows:</b>			
	<b>2014</b>	<b>2013</b>	
	<b>£</b>	<b>£</b>	
Opening defined benefit obligations	(1,194,000)	(881,000)	
Current service cost	(221,000)	(193,000)	
Interest cost	(61,000)	(41,000)	
Contributions by employees	(51,000)	(46,000)	
Actuarial gains/(losses)	(174,000)	(33,000)	
Benefits paid	6,000	-	
	<hr/>	<hr/>	
	(1,695,000)	(1,194,000)	
	<hr/> <hr/>	<hr/> <hr/>	
<b>Movements in the fair value of the academy trust's share of scheme assets:</b>			
	<b>2014</b>	<b>2013</b>	
	<b>£</b>	<b>£</b>	
Opening fair value of scheme assets	898,000	723,000	
Expected return on assets	59,000	34,000	
Actuarial gains/(losses)	(215,000)	(56,000)	
Contributions by employers	169,000	151,000	
Contributions by employees	51,000	46,000	
Benefits paid	(6,000)	-	
	<hr/>	<hr/>	
	956,000	898,000	
	<hr/> <hr/>	<hr/> <hr/>	

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>17</b>	<b>Pensions and similar obligations</b>	<b>(Continued)</b>	
	History of experience gains and losses:		
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Present value of defined benefit obligations	(1,695,000)	(1,194,000)
	Fair value of share of scheme assets	956,000	898,000
	Surplus / (deficit)	<u>(739,000)</u>	<u>(296,000)</u>
	Experience adjustment on scheme liabilities	(174,000)	(33,000)
	Experience adjustment on scheme assets	<u>(215,000)</u>	<u>(56,000)</u>
<b>18</b>	<b>Reconciliation of net income to net cash inflow from operating activities</b>		
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Net income	1,778,656	789,463
	Capital grants and similar income	(1,958,930)	(391,058)
	Investment income	(3,251)	(2,100)
	FRS17 pension costs less contributions payable	52,000	42,000
	FRS17 pension finance income	2,000	7,000
	Depreciation of tangible fixed assets	462,970	422,623
	Decrease in debtors	81,472	227,524
	(Decrease)/increase in creditors	(242,794)	145,958
	Adjustment to fixed assets	20,259	-
	Net cash inflow from operating activities	<u>192,382</u>	<u>1,241,410</u>
<b>19</b>	<b>Reconciliation of net cash flow to movement in net funds</b>		
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	(Decrease)/increase in cash	(328,473)	989,271
	Net funds at 1 September 2013	2,600,125	1,610,854
	<b>Net funds at 31 August 2014</b>	<u>2,271,652</u>	<u>2,600,125</u>

# HOLMES CHAPEL COMPREHENSIVE SCHOOL & SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

### 20 Analysis of net funds

	At 1 September 2013	Cash flows	Non-cash changes	At 31 August 2014
	£	£	£	£
Cash at bank and in hand	2,600,125	(328,473)	-	2,271,652

### 21 Commitments under operating leases

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

	2014 £	2013 £
Expiry date:		
- Between two and five years	28,636	27,847

### 22 Capital commitments

	2014 £	2013 £
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	-	2,138,939

### 23 Related parties

During the year Holmes Chapel Comprehensive School & Sixth Form College paid membership fees of £16,400 (2013: £nil) to Holmes Chapel and District Community Partnership. Also during the year the academy charged the partnership £19,000 (2013: £nil) for the use of a sports co-ordinator. At the year end the academy owed the partnership £nil (2013: £30,393).

During the year the academy charged The Chimney House Teaching School Foundation £105,445 (2013: £nil) for services provided to the Foundation. At the year end the academy owed £217,199 (2013: £240,470) to The Chimney House Teaching School Foundation. Included within trade debtors is £106,258 (2013: £nil) owed by the Foundation, and £30,800 (2013: £nil) within trade creditors.

The entities are all related by virtue of a common director/governor.

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

