

**Lymm High School**  
(A Company Limited by Guarantee)

**Report and Consolidated Financial Statements**  
**For the period ended 31 August 2013**

Company Registration Number:  
08171068 (England and Wales)



# Lymm High School

(A Company Limited by Guarantee)

## Contents

Reference and Administrative Details	2
Trustees Report	3
Governance Statement	9
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report on the Financial Statements	14
Independent Auditors' Report on Regularity	15
Statement of Financial Activities, incorporating Income and Expenditure Account	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements, incorporating Statement of Accounting Policies	20
Other Notes to the Financial Statements	23

# Lymm High School

(A Company Limited by Guarantee)

## Reference and Administrative Details

### Trustees

R Ball  
S Coughlan  
L Davies  
J Delaney (resigned 31/10/2013)  
S French  
J Graham  
N Harris  
R Knowles  
D Nicolson  
R Nowell  
L Tottle  
A Walsh  
K Walshe  
N Woodyatt  
S Woodyatt  
C McLean  
T Walker  
M Burgess  
S Connolly  
A Gare  
T Kapur (appointed 01/09/2013)  
N Boston (appointed 18/11/2013)  
G Larkin (appointed 18/11/2013)  
E Green (appointed 18/11/2013)

### Company Secretary

P McGerty

### Senior Management Team:

T Kapur (Executive Principal)  
S Finlay  
J Sheils  
A Walsh  
J O'Grady  
H Ryles-Dean  
G Milner  
R Wardle

### Principal and Registered Office

Lymm High School  
Oughtrington Lane  
Lymm  
Cheshire  
WA13 0RB

### Company Registration Number

08171068

### Independent Auditor

McLintocks Partnership Limited  
Chartered Accountants and Statutory Auditors  
2 Hilliards Court  
Chester Business Park  
Chester  
CH4 9PX

### Bankers

Lloyds TSB  
Horsemarket Street  
Warrington  
WA11TP

### Solicitors

Browne Jacobson LLP  
Victoria Square House  
Birmingham,  
B2 4BU

# Lymm High School

(A Company Limited by Guarantee)

## Trustees Report

The trustees present their report for the period from 7 August 2012 to 31 August 2013 together with the financial statements and auditors' reports of the charitable company.

The company was incorporated 7 August 2012 and 1 September 2012 Lymm High School converted to academy status under the Academies Act 2012 and all the operating activities, assets and liabilities were transferred to the 'company'.

## Structure, Governance and Management

### Constitution

Lymm High School is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The trustees of Lymm High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lymm High School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

### 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.

### Trustees' Indemnities

Professional indemnity insurance is in place to protect trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Academy business.

### Principal Activities

The principal objective is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academy, offering a broad and balanced curriculum. In setting the objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

### Method of Recruitment and Appointment or Election of Trustees

On 1 September 2012 the trustees appointed all those Governors that served the predecessor school and who wished to continue, to be Governors of the newly formed Academy. The Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy shall have the following Governors as set out in its Articles of Association and funding agreement:

- Up to 1 Governor who is appointed by the Members
- Up to 7 Parent Governors
- Up to 3 Staff Governors
- Up to 5 Foundation Governors
- Up to 4 Community Governors
- The Principal who is treated for all purposes as being ex officio Governor

# Lymm High School

(A Company Limited by Guarantee)

## Trustees Report (continued)

Governors are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has an established Governor Recruitment, Induction and Training process, and one Governor takes lead responsibility for Governor training and development. The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and an opportunity to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally very few new Governors appointed in a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

### Organisational Structure

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of financial management information, making strategic decisions about the direction of the Academy and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The Executive Principal is the accounting officer.

The senior leadership team consists of the Executive Principal, Principal, three Vice Principals and three Assistant Principals. These managers control the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the senior management team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the management team always contain a trustee. Some spending control is devolved to members of the management team with limits above which a senior manager must countersign.

In September 2013 the Trustees entered into an agreement with the Dean Trust to provide senior leadership support to Lymm High School. The Executive Principal and one Vice Principal are employees of the Dean Trust and fulfil their roles full-time within Lymm High School through this agreement.

Two members of the senior leadership team were suspended from duty in June/July 2013, pending the investigation of a number of issues. These investigations, which have been commissioned by the Trustees and are being conducted by senior officers of Warrington Borough Council, are ongoing.

### Risk Management

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. The trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover.

# Lymm High School

(A Company Limited by Guarantee)

## Trustees Report (continued)

The key controls used by the trust include:

- Formal agendas for all Trustee and Governing Body including sub-committee meetings,
- Detailed and documented terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and clear lines of accountability and reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Vetting procedures as required by legislation,
- Reporting systems

### Connected Organisations including Related Party Relationships

Lymm High School Leisure Centre (a Limited by Guarantee Company) manages the leisure facilities owned by the Academy. There is a shared use agreement between the leisure centre and the Academy. The Academy has an active parent teacher association which actively supports the Academy. There are no related parties which either control or significantly influence the decisions and operations of the Academy. There are no sponsors.

## Objectives, Activities and Achievements

### Strategies and Activities

In 2012, the governing body, staff, parents and students worked together to create the Lymm High School charter, which sets out the enduring aims and principles which guide the school now and in the future. The Charter states that “Lymm High School exists to enable its students to enjoy learning, achieve their full potential and be successful. Through outstanding teaching and learning provision, we help them to become independent lifelong learners, confident and capable individuals, and socially responsible citizens and members of the community”. It also outlines the school’s commitment to comprehensive education, the importance of our relationship with nine partner primary schools, the value we place on our staff, the requirement for robust governance arrangements together with diligent stewardship of public funding and other resources.

The trusts’ main strategy is to develop and maintain a culture of excellence across our organisation that provides opportunities for all children and students in our school. Lymm High School is an organisation that provides opportunities for staff and students alike but always embraces the local community so as to ensure that the Academy is at the centre. We aim for our communities to be proud of their local school.

As we continue to grow we are determined to remain an organisation of ‘first choice’. We believe that it is important that children are able to attend a ‘Good’ or ‘Outstanding’ local school. The trust’s approach to this strategy includes:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training and development opportunities for all staff
- A programme of after school activities for all students
- A career advisory service to help students obtain employment or move on to higher education
- A wide range of enrichment opportunities
- High quality professional learning opportunities for all school employees
- A process of continual monitoring and review of teaching and learning together with rigorous data analysis of individual pupil achievement.

# Lymm High School

(A Company Limited by Guarantee)

## Trustees Report (continued)

### Public Benefit

The school's purpose is to advance, for public benefit, education as described in principal activities above. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

### Achievements and Performance

The public examination results at GCSE, Advanced Level and in Key Stage 1 and 2 SATs continued to reflect the level of achievement expected from the pupils, they are as follows:

Percentage of pupils gaining 5+ A*-C GCSE grades including English and Mathematics	71%
Percentage of pupils gaining 5+ A *-C GCSE grades	83.7%
A-Level	100% A*-E 65% A*-C
AS Level	88% A*-E 39% A*-C
Vocational (BTEC)	98% MMM+ 73% DDD+ 43% D*D*D*

### Going Concern

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

### Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular the management of spending against General Annual Grant (GAG) requires special attention. It is the Academy's management policy that in general terms the income received in any one year is spent for the benefit of those children in the school that year.

### Financial Review

Most of the Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ended 31<sup>st</sup> August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

# Lymm High School

(A Company Limited by Guarantee)

## Trustees Report (continued)

During the period ended 31<sup>st</sup> August 2013, total expenditure of £10,392,721 was more than covered by recurrent grant income from the EFA together with other incoming resources which totalled £36,817,580. The excess of income over expenditure for the period was £26,424,859. This is in line with the trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the period ended 31<sup>st</sup> August 2013 amounted to £17,070. At 31<sup>st</sup> August 2013 the net book value of fixed assets amounted to £26,815,655 and movements in fixed assets are shown in note 10 to the financial statements. The cost of fixed asset additions in the period ended 31<sup>st</sup> August 2013 amounted to £239,270.

### Financial and Risk Management Objectives and Policies

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for the Academy and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the finance and audit committee and via regular (termly) meetings of the finance committee.

Bank and cash reconciliations are carried out routinely and signed by the chief finance officer. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the trustees by the Responsible Officer and external auditors.

The security of data is managed by the Academy through a contract with an external IT provider.

Remaining risks are mitigated to a large extent via comprehensive insurance policies.

### Principal Risks and Uncertainties

The principal risks to the Academy are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the Academy, falling student numbers and failure to safeguard students. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Academy,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and

### Reserves Policy

The trustees and Governors review the level of reserves on a termly basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted fund reserve) is £17,070. The amount is kept secure for a time when it is needed to self-finance a scheme of major capital projects.

# Lymm High School

(A Company Limited by Guarantee)

## Trustees Report (continued)

The trustees have decided that it is prudent to build a reserve of restricted funds approximately equal to 5% of annual income to safeguard against unforeseen circumstances, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the Academy.

In addition the net liability due to the Academy's participation in the Local Government Pension Scheme (LGPS) amounts to £635,000. Whilst this is not immediately payable by the Academy it remains of concern to the trustees.

### Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts (currently Lloyds) to take advantage of higher interest rates. No other form of investment is authorised.

### Plans for Future Periods

The overall performance in this reporting period was satisfactory and as a consequence will directly reinforce the School's medium to long-term strategy. The School's main annual objectives for the next year are:

- To build on the 'Good' Ofsted judgement
- To strive for continuous improvement in examinations results and all indicators of performance in the Academy
- To continue to develop school facilities
- To build adequate financial reserves to fund building and other investment needs

Excellent standards of behaviour will be maintained to create a well ordered community with learning and the support of students at the heart. The Academy's aim is to maintain or increase pupil numbers. Transitional arrangements for pupils entering the School will be well planned and structured, providing support for pupils at this important stage of their education. The curriculum will be broad, balanced and relevant in all key stages from KS3 to KS5 allowing all students to achieve success.

Teaching and learning will have pace, purpose, variety and rigour. Students will be able to progress as a result of personalised programmes of study and the provision of an on-line curriculum. All students will be confident users of ICT. Students will be aware of their own strengths and weaknesses and, through assessment for learning, know what they need to do to improve.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academy will be in the "high performing" category. The strategic development of the Academy will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main board of trustees.

# Lymm High School

(A Company Limited by Guarantee)

## Auditors

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees 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.

McLintocks Partnership Limited has been appointed as the company's auditor. The audit report has been issued by McLintocks Partnership Limited.

McLintocks Partnership Limited has indicated its willingness to continue in office.

Approved by order of the board of trustees on 11 December 2013 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'K Walshe', written over a light grey rectangular background.

K Walshe  
**Chair of Trustees**

# Lymm High School

(A Company Limited by Guarantee)

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Lymm High School and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the period ending 31<sup>st</sup> August 2013. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr K Walshe	6	7
Mrs A Walsh	4	7
Mrs R Knowles	7	7
Cllr S Woodyatt	6	7
Mrs R Ball	4	7
Mrs N Harris	3	7
Mrs J Graham	6	7
Mr D Nicholson	7	7
Mr R Nowell	6	7
Mrs T Walker*	4	6
Mrs N Woodyatt	6	7
Mr S Coughlan	4	6
Mr L Davies	2	7
Dr C McLean*	6	7
Mrs J Delaney	4	7
Mr A Gare*	6	6
Ms L Tottle	1	7
Mrs S Connolly*	6	6

\* Indicates those who were members of the governing body for part of the year only.

# Lymm High School

(A Company Limited by Guarantee)

## Governance Statement (continued)

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finances of the trust. Attendance at meetings in the year ended 31<sup>st</sup> August 2013 was as follows:

Governor	Meetings attended	Out of a possible
Dr K Walshe	3	4
Mrs R Knowles	3	4
Mr S French	4	4
Mr R Nowell	3	4
Ms A Walsh	2	4
Cllr S Woodyatt	4	4
Mr L Davies	2	4
Mrs S Connolly*	1	3
Mrs J Delaney	3	4
Mr A Gare*	3	3

\* Indicates those who were members of the governing body for part of the year only.

## 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 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 Lymm High School for the period 1<sup>st</sup> September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1<sup>st</sup> September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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.

# Lymm High School

(A Company Limited by Guarantee)

## Governance Statement (continued)

The Board of trustees considered the need for a specific internal audit function and initially decided not to appoint an internal auditor. However since that point following a review of internal risk, the trustees decided to appoint McLintocks Partnership Limited as support to our Responsible Officer role. From October 2013, this role will be performed by Beevers & Struthers. The RO's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. On a quarterly basis the RO performs these checks and reports to the board of trustees on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

### Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on **11 December 2013** and signed on its behalf by:



K Walshe  
Chair of Trustees



T Kapur  
Executive Principal  
Accounting Officer

# Lymm High School

(A Company Limited by Guarantee)

## Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy board of trustees 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.



T Kapur  
**Accounting Officer**

# Lymm High School

(A Company Limited by Guarantee)

## Statement of Trustees' Responsibilities

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

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

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on **11 December 2013** and signed on its behalf by:



K Walshe  
**Chair of Trustees**

# Lymm High School

(A Company Limited by Guarantee)

## Independent Auditor's Report on the Financial Statements to the Board of Trustees of Lymm High School

We have audited the financial statements on pages 17 to 36 which have been prepared under the historical cost convention and following the accounting policies set out on pages 17 to 19. This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Academy Trust its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

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

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

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Mr M Caputo  
McLintocks Partnership Limited, Chartered Accountants  
and Statutory Auditors  
2 Hilliards Court  
Chester Business Park  
Chester, CH4 9PX

11 December 2013

# Lymm High School

(A Company Limited by Guarantee)

## Independent Auditor's Report on Regularity to the Board of Trustees of Lymm High School and the Education Funding Agency

### Regularity to Lymm High School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lymm High School during the period 7 August 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them. This report is made solely to Lymm High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lymm High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Lymm High School and the EFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of Lymm High School accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lymm High School funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by parliament and the financial transactions conform to the authorities which given them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 August 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

### 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 7 August 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr M Caputo  
McLintocks Partnership Limited, Chartered Accountants  
and Statutory Auditors  
2 Hilliards Court  
Chester Business Park, Chester, CH4 9PX

11 December 2013

# Lymm High School

(A Company Limited by Guarantee)

## Consolidated Statement of Financial Activities for the period ended 31 August 2013 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
		2013 £	2013 £	2013 £	2013 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
• Voluntary income – transfer from Local Authority on conversion		-	(656,000)	26,890,000	26,234,000
• Activities for generating funds	2	1,073,207	51,260	-	1,124,467
<i>Incoming resources from charitable activities</i>					
Funding for the academy's educational operations	3	-	9,341,443	36,670	9,378,113
<b>TOTAL INCOMING RESOURCES</b>		<b>1,073,207</b>	<b>8,736,703</b>	<b>26,926,670</b>	<b>36,736,580</b>
<b>RESOURCES EXPENDED</b>					
<i>Charitable activities</i>					
Academy's educational operations	5	1,056,137	8,980,347	274,080	10,310,564
Governance costs	6	-	82,157	-	82,157
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,056,137</b>	<b>9,062,504</b>	<b>274,080</b>	<b>10,392,721</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
		<b>17,070</b>	<b>(325,801)</b>	<b>26,652,590</b>	<b>26,343,859</b>
Gross transfers between funds					
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>					
		<b>17,070</b>	<b>(325,801)</b>	<b>26,652,590</b>	<b>26,343,859</b>
Actuarial (losses)/gains on defined benefit pension schemes					
			81,000		81,000
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>					
		<b>17,070</b>	<b>(244,801)</b>	<b>26,652,590</b>	<b>26,424,859</b>
Total funds brought forward at 1 September 2012					
		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013</b>	14	<b>17,070</b>	<b>(244,801)</b>	<b>26,652,590</b>	<b>26,424,859</b>

All of Academy's activities derive from acquisitions and continuing operations during the above financial period. The company was dormant from 7 August 2012 to 31 August 2012.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities. The notes on pages 19 to 37 form part of these accounts.

# Lymm High School

(A Company Limited by Guarantee)

## Balance Sheet as at 31 August 2013

(Company Number 08171068)

			Group		Company
	Note	£	2013 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	10		26,815,655		26,815,655
<b>CURRENT ASSETS</b>					
Stock		91,253		91,253	
Debtors	12	151,175		151,175	
Cash at bank and in hand		186,413		186,413	
		<u>428,841</u>		<u>428,841</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(184,637)		(184,638)	
			<u>244,204</u>		<u>244,203</u>
<b>NET CURRENT ASSETS</b>					
			<u>27,059,859</u>		<u>27,059,858</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Pension scheme liability			(635,000)		(635,000)
			<u>26,424,859</u>		<u>26,424,858</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>					
			<u>26,424,859</u>		<u>26,424,858</u>
<b>FUNDS OF THE ACADEMY:</b>					
Restricted income funds					
General funds	14	390,199		390,199	
Fixed asset funds	14	26,652,590		26,652,590	
Restricted funds excluding pension liability		<u>27,042,789</u>		27,042,789	
Pension reserve		(635,000)		(635,000)	
Total restricted funds			<u>26,407,789</u>		<u>26,407,789</u>
Unrestricted income funds	14		17,070		17,069
			<u>26,424,859</u>		<u>26,424,858</u>
<b>TOTAL FUNDS</b>					
			<u>26,424,859</u>		<u>26,424,858</u>

The financial statements on pages 17 to 19 were approved by the trustees, and authorised for issue on 11 December 2013 and are signed on its behalf by



K Walshe  
Chair of Trustees

The notes on pages 20 to 37 form part of these accounts.

# Lymm High School

(A Company Limited by Guarantee)

## Cash Flow Statement for the Period Ended 31 August 2013

	Notes	31 August 2013 £
<b>Net cash inflow from operating activities</b>	<b>17</b>	425,683
Capital expenditure on financial investment	18	(239,270)
<b>Net (Decrease)/increase in cash in the year</b>		<hr/> <b>186,413</b> <hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 1 September 2012		-
<b>Net funds at 31 August 2013</b>	<b>19</b>	<hr/> <b>186,413</b> <hr/>

The company was dormant in the period from 7 August 2012 to 31 August 2012.

The notes on pages 20 to 37 form part of these accounts.

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013

### 1. Statement of accounting policies

#### Basis of Preparation

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

#### Consolidation

The group financial statements consolidate the financial statements of the company and of its subsidiary undertakings made up to 31 August 2013. The surpluses and deficits of the subsidiary undertakings are consolidated from the date of acquisition. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is written off to reserves in the year in which it arises. As a consolidated group income and expenditure account is published, a separate one for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### Going Concern

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

#### Conversion to an Academy Trust

The conversion from a state maintained school to an Academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an Academy trust have been valued at their fair value being a reasonable estimate of the current value that the Governors would expect to pay in a open market for an equivalent item. The fair value is in accordance with the accounting policies set for the Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in as a gift/as net expenditure in other resources expended in the Statement Of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 24.

#### Incoming Resources

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

- **Grants Receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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.

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

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.

- **Other Income**

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

- **Donated Services and Gifts in Kind**

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

### Resources Expended

All expenditure is recognised in the year 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's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

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

# Lymm High School

(A Company Limited by Guarantee)

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's depreciation policy.

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

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

Buildings	2% p.a. straight-line
Building improvements	10% p.a. reducing balance
Fixtures, fittings and equipment	20% p.a. reducing balance
Equipment	33 <sup>1</sup> / <sub>3</sub> % p.a. straight-line

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

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

### Stock

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

### Leased Assets

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

### Taxation

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

### Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

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

### Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/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/Department for Education.

## 2. Activities for Generating Funds

	1 September 2012 to 31 August 2013		
	Unrestricted	Restricted	Total
	Funds	Funds	
	£	£	£
Hire of Facilities	111,294	-	111,294
Shop Income	181,408	-	181,408
Catering Income	467,946	-	467,946
Leisure Facilities	312,559	-	312,559
Other Income	-	51,260	51,260
	<b>1,073,207</b>	<b>51,260</b>	<b>1,124,467</b>

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 3. Funding for the Academy Trust's Educational Operations

	1 September 2012 to 31 August 2013		
	Unrestricted Funds	Restricted Funds	Total
	£	£	£
<b>DfE / EFA grants</b>			
• General Annual Grant (GAG)	-	9,303,654	<b>9,303,654</b>
• Capital Grants	-	36,670	<b>36,670</b>
		<b>9,340,324</b>	<b>9,340,324</b>
<b>Other Funding</b>			
• Tuition Fees	-	12,100	<b>12,100</b>
• Exam Fee Income	-	25,689	<b>25,689</b>
	-	<b>37,789</b>	<b>37,789</b>
	-	<b>9,378,113</b>	<b>9,378,113</b>

### 4. Resources Expended

	1 September 2012 to 31 August 2013			
	Staff Costs	Depreciation	Other Costs	Total
	£	£	£	£
Academy's educational operations				
• Direct Costs	5,932,928	-	681,611	<b>6,614,539</b>
• Allocated Support Costs	1,277,254	313,615	2,105,156	<b>3,696,025</b>
	<b>7,210,182</b>	<b>313,615</b>	<b>2,786,767</b>	<b>10,310,564</b>
Governance costs including allocated support costs	-	-	82,157	<b>82,157</b>
	<b>7,210,182</b>	<b>313,615</b>	<b>2,868,924</b>	<b>10,392,721</b>

Net incoming/(outgoing) resources for the year:	1 September 2012 to 31 August 2013
	£
Operating leases	
– Plant and machinery	33,389
Fees payable to McLintocks Partnership Limited for:	
– Audit	8,000
– Other services	6,000

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 5. Charitable Activities – Academy’s Educational Operations

	1 September 2012 to 31 August 2013		
	Unrestricted	Restricted	Total
	Funds	Funds	
	£	£	£
<b>Direct costs</b>			
Teaching and educational support staff costs	-	5,932,928	5,932,928
Staff development	-	27,430	27,430
Employee expenses	-	36,839	36,839
Educational supplies	42,476	367,786	410,262
Examination fees	-	185,578	185,578
Educational consultancy	-	17,279	17,279
Other direct costs	-	4,223	4,223
	<b>42,476</b>	<b>6,572,063</b>	<b>6,614,539</b>
<b>Allocated support costs</b>			
Support staff costs	475,291	801,963	1,277,254
Catering	283,338	-	283,338
Depreciation	-	313,615	313,615
Maintenance of premises and equipment	11,348	240,425	251,773
Cleaning	8,683	200,384	209,067
Rent and rates	20,736	213,010	233,746
Energy costs	35,609	184,824	220,433
Insurance	4,676	71,123	75,799
Security and Transport	-	47,191	47,191
Other support costs	149,720	319,517	469,237
Technology costs	24,260	282,490	306,750
Bank interest and charges	-	7,822	7,822
	<b>1,013,661</b>	<b>2,682,364</b>	<b>3,696,025</b>
	<b>1,056,137</b>	<b>9,254,427</b>	<b>10,310,564</b>

### 6. Governance Costs

	1 September 2012 to 31 August 2013		
	Unrestricted	Restricted	Total
	Funds	Funds	
	£	£	£
Legal and professional fees	-	68,157	68,157
Auditor’s remuneration			
• Audit of financial statements	-	8,000	8,000
• Other audit costs	-	6,000	6,000
	-	<b>82,157</b>	<b>82,157</b>

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 7. Staff Costs

Staff costs during the year were:	1 September 2012 to 31 August 2013
	£
Wages and salaries	5,568,034
Social security costs	440,735
Pension costs	810,425
	<u>6,819,194</u>
Supply teacher costs	390,989
	<u>7,210,183</u>

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

	1 September 2012 to 31 August 2013
	No.
Teachers	128
Management	7
Administration and support	156
	<u>291</u>

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

	1 September 2012 to 31 August 2013
	No.
£70,001 - £80,000	2
£80,001 - £90,000	1
£90,001 - £100,000	-
£100,001 - £110,000	-
£110,001 - £120,000	-
£120,001 - £130,000	-
£130,001 - £140,000	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31<sup>st</sup> August 2013, pension contributions for these employees amounted to £50,302.

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 8. Trustees' Remuneration & Expenses

The Executive Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

A Walsh (principal and trustee)      £130,000 - £140,000

During the year ended 31 August 2013 there were no travel and subsistence reimbursed to the trustees. Other related party transactions involving the trustees are set out in note 23.

### 9. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

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

### 10. Tangible Fixed Assets

Group and Company	Leasehold Land and Buildings	Furniture and Equipment	Total
	£	£	£
<b>Cost at 1 September 2012</b>	-	-	-
Transferred on conversion	26,890,000	-	<b>26,890,000</b>
Additions	144,010	95,260	<b>239,270</b>
Disposals	-	-	-
<b>As at 31 August 2013</b>	<b>27,034,010</b>	<b>95,260</b>	<b>27,129,270</b>
<b>Depreciation as at 1 September 2012</b>	-	-	-
Charged in the year	288,481	25,134	<b>313,615</b>
Disposals	-	-	-
<b>As at 31 August 2013</b>	<b>288,481</b>	<b>25,134</b>	<b>313,615</b>
<b>Net book values</b>			
<b>At 31 August 2013</b>	<b>26,745,529</b>	<b>70,126</b>	<b>26,815,655</b>

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 11. Group Undertakings

The Academy had control of Lymm High School Leisure Centre, during the period. The nature of this business was that of the provision of leisure facilities.

#### Period Ended 31 August 2013:

Total Turnover: £357,562

Total Reserves: £1

### 12. Debtors

#### Group and Company

	As at 31 August 2013
	£
Trade debtors	45,295
VAT recoverable	42,203
Prepayments and accrued income	63,677
	<b>151,175</b>

### 13. Creditors: Amounts falling due within one year

#### Group

	As at 31 August 2013
	£
Trade creditors	151,037
Accruals and deferred income	33,600
	<b>184,637</b>

#### Company

	As at 31 August 2013
	£
Trade creditors	151,037
Accruals and deferred income	33,600
Other creditors	1
	<b>184,638</b>

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 14. Funds

Group	Balance at 1 September 2012	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Total
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,341,443	(8,920,347)	-	421,096
Other funding	-	51,260	(82,157)	-	(30,897)
Pension reserve	-	(656,000)	(60,000)	81,000	(635,000)
		<b>8,736,703</b>	<b>(9,062,504)</b>	<b>81,000</b>	<b>(244,801)</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	36,670	-	-	36,670
Transfer from Local Authority on conversion	-	26,890,000	(274,080)	-	26,615,920
		<b>26,926,670</b>	<b>(274,080)</b>	<b>81,000</b>	<b>26,652,590</b>
<b>Total restricted funds</b>		<b>35,663,373</b>	<b>(9,336,584)</b>	<b>81,000</b>	<b>26,407,789</b>
<b>Unrestricted funds</b>					
Unrestricted funds	-	1,073,207	(1,056,137)	-	17,070
<b>Total unrestricted funds</b>	-	<b>1,073,207</b>	<b>(1,056,137)</b>	-	<b>17,070</b>
<b>Total funds</b>		<b>36,736,580</b>	<b>(10,392,721)</b>	<b>81,000</b>	<b>26,424,859</b>

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Company	Balance at 1 September 2012	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Total
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,341,443	(8,920,347)	-	421,096
Other funding	-	51,260	(82,157)	-	(30,897)
Pension reserve	-	(656,000)	(60,000)	81,000	(635,000)
		<b>8,736,703</b>	<b>(9,062,504)</b>	<b>81,000</b>	<b>(244,801)</b>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	36,670	-	-	36,670
Transfer from Local Authority on conversion	-	26,890,000	(274,080)	-	26,615,920
		<b>26,926,670</b>	<b>(274,080)</b>	<b>81,000</b>	<b>26,652,590</b>
<b>Total restricted funds</b>		<b>35,663,373</b>	<b>(9,336,584)</b>	<b>81,000</b>	<b>26,407,789</b>
<b>Unrestricted funds</b>					
Unrestricted funds	-	768,921	(751,852)	-	17,069
<b>Total unrestricted funds</b>	-	<b>768,921</b>	<b>(751,852)</b>	-	<b>17,069</b>
<b>Total funds</b>	-	<b>36,432,294</b>	<b>(10,088,436)</b>	<b>81,000</b>	<b>26,424,858</b>

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 15. Analysis of Net Assets between Funds

#### Group

Fund balances at 31 August 2013 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	163,065	26,652,590	<b>26,815,655</b>
Current assets	17,070	411,771	-	<b>428,841</b>
Current liabilities	-	(184,637)	-	<b>(184,637)</b>
Pension scheme liability	-	(635,000)	-	<b>(635,000)</b>
<b>Total net assets</b>	<b>17,070</b>	<b>(244,801)</b>	<b>26,652,590</b>	<b>26,424,859</b>

#### Company

Fund balances at 31 August 2013 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	163,065	26,652,590	<b>26,815,655</b>
Current assets	17,069	411,772	-	<b>428,841</b>
Current liabilities	-	(184,638)	-	<b>(184,638)</b>
Pension scheme liability	-	(635,000)	-	<b>(635,000)</b>
<b>Total net assets</b>	<b>17,069</b>	<b>(244,801)</b>	<b>26,652,590</b>	<b>26,424,858</b>

### 16. Financial Commitments

At 31 August 2013 the Academy trust had annual commitments under non-cancellable operating leases as follows:

<b>Other</b>	<b>£</b>
Expire within one year	142,501
Expire 2-5 years	142,501
Expire over 5 years	109,112
	<b>394,122</b>

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 17. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	£
Net Income	26,424,859
Depreciation (note 10)	313,615
Land and Building introduced on conversion to Academy	(26,890,000)
FRS17 pension cost less contributions payable	60,000
FRS17 pension finance income	(81,000)
FRS17 pension cost introduced	656,000
(Increase)/Decrease in stock	(91,253)
(Increase)/Decrease in debtors	(151,175)
(Increase)/Decrease in creditors	184,637
<b>Net Cash Inflow from operating activities</b>	<b>425,683</b>

### 18. Capital Expenditure and Financial Investment

	£
Purchase of tangible fixed assets	239,270
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>239,270</b>

### 19. Analysis of Changes in Net Funds

	At 1 September 2012	Cash flows	At 31 August 2013
	£	£	£
Cash in hand and at bank	-	186,413	<b>186,413</b>
	-	<b>186,413</b>	<b>186,413</b>

### 20. Contingent Liabilities

The trustees are not aware of any such liabilities.

### 21. Members' Liability

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

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 22. Pension and Similar Obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

#### Teachers' Pension Scheme

##### Introduction

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

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation of the Teachers' Pension Scheme

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

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

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

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

### Teachers' Pension Scheme Changes

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

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

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

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

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

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £283,000, of which employer's contributions totalled £217,000 and employees' contributions totalled £66,000. The agreed employee contribution rates for the year were:

Members Contributions % (of pensionable pay)	1 September 2012 to 31 March 2013	1 April 2013 to 31 August 2013
5.5	Up to £13,500	Up to £13,700
5.8	£13,501 to £15,800	£13,701 to £16,100
5.9	£15,801 to £20,400	£16,101 to £20,800
6.5	£20,401 to £34,000	£20,801 to £34,700
6.8	£34,001 to £45,500	£34,701 to £46,500
7.2	£45,501 to £85,300	£46,501 to £87,100
7.5	Over £85,301	Over £87,101

The agreed employer's contribution rate for the period 1 September 2012 to 31 March 2013 was 13.2%, and for the period 01 April 2013 to 31 August 2013 was 13.2%.

### Principal Actuarial Assumptions

	At 31 August 2013
Rate of increase in salaries	5.1%
Rate of increase for pensions in payment/inflation	2.8%
Discount rate for scheme liabilities	4.6%
Expected return on assets	5.9%

The scheme liabilities are sensitive to changes in the principal actuarial assumptions.

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

	At 31 August 2013
Current pensioners:	
Males	22.9 years
Females	25.7 years
Future pensioners:	
Males	24.9 years
Females	27.7 years

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

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

	Expected return at 31 August 2013	Fair value at 31 August 2013
	%	£000
Equities	6.6%	1,493
Bonds	3.5%	259
Property	4.7%	119
Cash	3.6%	119
		1,990
Present value of scheme liabilities		
– Funded		(2,625)
<b>Total net assets/(liabilities)</b>		<b>(635)</b>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The return assumptions are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP. The expected returns shown in this report have been calculated using 5,000 simulations of the HRAM, calibrated using market data. The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM the yield rates applicable at the accounting date on suitable bond indices has been used.

The actual return on scheme assets was £228,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

### Amounts recognised in the statement of financial activities

	At 31 August 2013
	£000
Current service cost (net of employee contributions)	
Past service cost	260
Total operating charge	(260)
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	77
Interest on pension liabilities	(94)
<b>Pension finance income/(costs)</b>	<b>(17)</b>

The actuarial gains and losses for the year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £81,000 gain.

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

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

	<b>£000</b>
<b>At 1 September 2012</b>	-
Interest cost	260
Employee contributions	94
Actuarial (gain)/loss	66
Benefits paid	71
Past service cost	-
<b>At 31 August 2013</b>	<b>2,625</b>

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

	<b>£000</b>
<b>At 1 September 2012</b>	-
Expected return on assets	77
Actuarial gain/(loss)	152
Employee contributions	66
Employer contributions	217
<b>At 31 August 2013</b>	<b>1,990</b>

The estimated value of employer contributions for the year ending 31 August 2014 is £207,000.

The history of experience adjustments is as follows:

	<b>1 September 2012 to 31 August 2013</b>
	<b>£000</b>
Fair value of scheme assets	1,990
Present value of defined benefit obligations	(2,625)
<b>Deficit in the scheme</b>	<b>(635)</b>
Experience gains/(losses) on scheme assets	152
Experience gains/(losses) on scheme liabilities	-

### 23. Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy trust's financial regulations and normal procurement procedures.

# Lymm High School

(A Company Limited by Guarantee)

## Notes to the Financial Statements for the period ended 31 August 2013 (continued)

### 24. Conversion to Academy Trust

On 1<sup>st</sup> September 2012 Lymm High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Lymm High School from Warrington Borough Council for £nil consideration.

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

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
<b>Tangible fixed assets</b>				
Freehold / Leasehold land & buildings	-	-	26,890,000	<b>26,890,000</b>
LGPS pension fund deficit	-	(656,000)	-	<b>(656,000)</b>
<b>Net assets</b>	-	<b>(656,000)</b>	<b>26,890,000</b>	<b>26,234,000</b>

### 25. Post Balance Sheet Event

The Trustee are not aware of any events requiring disclosure.