

REGISTERED COMPANY NUMBER: 08171068 (England and Wales)

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2014
FOR**

LYMM HIGH SCHOOL

**McLintocks Partnership Limited
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX**

LYMM HIGH SCHOOL

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LYMM HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2014

MEMBERS

S E Woodyatt
R Knowles
K Walshe

TRUSTEES

R I Ball
S Coughlan (resigned 16.10.13)
L Davies (Assistant Headteacher)
J Delaney (resigned 16.10.13)
S French
J Graham
N Harris (resigned 31.08.13)
R Knowles
D Nicholson
R E Nowell
L Tottle (resigned 31.08.13)
A B T Walsh (Head Teacher) (resigned 31.03.14)
K Walshe
S E Woodyatt
N Woodyatt
C J McLean
T Walker
E M Burgess
M A Gare
S Connolly
T Kapur (appointed 1.9.13)
N Boston (appointed 18.11.13)
G R Larkin (appointed 18.11.13)
E A Green (appointed 18.11.13)
S Cummins (appointed 7.03.14)

COMPANY SECRETARY

P Ward

SENIOR MANAGEMENT TEAM

T Kapur
S Jamieson
S Finlay
J O'Grady
R Wardle
G Milner
H Ryles-Dean
P Ward

REGISTERED OFFICE

Oughtrington Lane
Lymm
Cheshire
WA13 0RB

LYMM HIGH SCHOOL

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014**

REGISTERED COMPANY NUMBER	08171068 (England and Wales)
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AUDITORS	McLintocks Partnership Limited 2 Hilliards Court Chester Business Park Chester CH4 9 PX
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SOLICITORS	Browne Jacobson LLP Victoria Square House Birmingham B2 4BU
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BANKERS	Lloyds TSB Horsemarket Street Warrington WA1 1TP
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LYMM HIGH SCHOOL

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' Issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

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.

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 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.

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.

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

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

Method of Recruitment and Appointment or Election of trustees (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.

The two members of the senior leadership team who were suspended from duty in June/July 2013, resigned their posts in April/May 2014 following an investigation conducted by senior officers of Warrington Borough Council.

LYMM HIGH SCHOOL

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

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.

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.

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.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

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.

LYMM HIGH SCHOOL

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

OBJECTIVES AND ACTIVITIES - CONTINUED

Strategies and Activities

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.

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.

STRATEGIC REPORT

Achievement 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 65%

Percentage of pupils gaining 5+ A*-C GCSE grades 69.3%

A-Level

A Level

A*-E 98.6%

A*-C 72.0%

AS Level

A*-E 62%

A*-C 90%

LYMM HIGH SCHOOL

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

STRATEGIC REPORT - CONTINUED

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 31st August 2014 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.

During the period ended 31st August 2014, total income received was £11,535,128 (2013 - £10,502,580) against expenditure of £11,072,050 (2013 - £10,392,721). This includes grants receivable but yet to be received of £572,000.

Unrestricted income and expenditure in the year ended 31st August 2014 amounted to a deficit of £126,234.

At 31st August 2014 the net book value of fixed assets amounted to £26,625,262 and movements in fixed assets are shown in note 10 to the financial statements. The cost of fixed asset additions in the period ended 31st August 2014 amounted to £145,271.

Reserves Policy

The trustees 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 (unrestricted funds) was in deficit by £109,163 at 31 August 2014 and the trustees have planned to build up these reserves so as to meet future needs.

LYMM HIGH SCHOOL

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

STRATEGIC REPORT - CONTINUED

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.

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.

LYMM HIGH SCHOOL

REPORT OF THE TRUSTEES for the Year Ended 31 August 2014

STRATEGIC REPORT - CONTINUED

Plans for future periods

The overall performance in this reporting period was satisfactory and the school has continued on its general trajectory of improvement, with excellent support from the Dean Trust. The School's main annual objectives for the next year are:

- To appoint a permanent principal and manage the transition to new leadership for the school
- To build on the 'Good' Ofsted judgement and seek to improve the quality of teaching and learning
- To seek improvement in all areas of achievement including examinations results
- To continue to develop school facilities with investment in buildings infrastructure and information technology
- 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 school's aim is to maintain pupil numbers at our Planned Admission Number. 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 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. The strategic development of the school will be effectively planned, monitored and supported through robust and committed oversight from the governing body. Wider relationships with the community and stakeholders will be positive and constructive, and our close partnerships with primary schools will continue to develop.

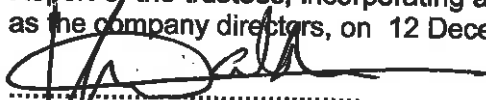
AUDITORS

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.

McIntocks Partnership Limited has been appointed as the company's auditor. The audit report has been issued by McIntocks Partnership Limited. McIntocks Partnership Limited has indicated its willingness to continue in office.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 12 December 2014 and signed on the board's behalf by:



K Walshe - Chair of Trustees

LYMM HIGH SCHOOL

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

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 31st August 2014. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Dr K Walshe	7	7
Mrs R Knowles	7	7
Cllr S Woodyatt	6	7
Mrs R Ball	6	7
Mrs J Graham	6	7
Mr D Nicholson	6	7
Mr R Nowell	4	7
Mrs T Walker*	5	7
Mrs N Woodyatt	6	7
Mr L Davies	5	7
Dr C McLean	7	7
Mr A Gare	7	7
Mrs S Connolly	6	7
Mr N Boston*	5	6
Father M Burgess	7	7
Mr S Cummins*	3	4
Mr S French	3	7
Mrs L Green*	6	6
Mr T Kapur*	4	6
Mr G Larkin*	5	6

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

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 31st August 2014 was as follows:

LYMM HIGH SCHOOL

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

Governor	Meetings attended	Out of a possible
Dr K Walshe	3	4
Mrs R Knowles	4	4
Mr S French	3	4
Mr R Nowell	1	4
Cllr S Woodyatt	3	4
Mr L Davies	3	4
Mrs S Connolly	4	4
Mr A Gare	4	4
Mr N Boston*	2	3
Mr T Kapur	4	4
Dr C McLean	4	4

* 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 1st September 2013 to 31 August 2014 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 1st September 2013 to 31 August 2014 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

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

The Risk and Control Framework

The Board of trustees considered the need for a specific internal audit function and initially decided not to appoint an internal auditor. From October 2013, this role was 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.

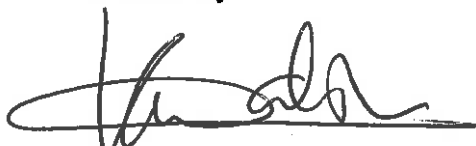
Review of Effectiveness

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 12 December 2014 and signed on its behalf by:



.....
K Walshe - Chair of Trustees



.....
T Kapur - Accounting Officer

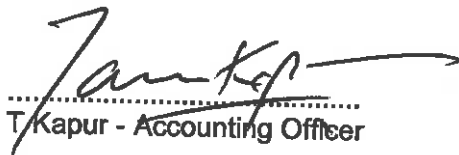
LYMM HIGH SCHOOL

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the Year Ended 31 August 2014**

As accounting officer of Lymm High School I have considered my responsibility to notify the charitable company 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 charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook.

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


.....
T. Kapur - Accounting Officer

Date:

LYMM HIGH SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES for the Year Ended 31 August 2014

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:

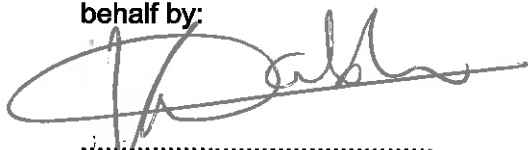
- " select suitable accounting policies and then apply them consistently;
- " observe the methods and principles in the Charities SORP;
- " make judgments and accounting estimates that are reasonable and prudent;
- " state whether applicable UK Accounting Standards have been followed, subject to any 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 board of trustees on 12/12/2014 and signed on it's behalf by:



.....
K Walshe - Academic

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LYMM HIGH SCHOOL

We have audited the financial statements of Lymm High School for the year ended 31 August 2014 on pages twenty one to forty three. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements 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.

Opinion on financial statements

In our opinion 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LYMM HIGH SCHOOL**

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.

M Caputo FCA (Senior Statutory Auditor)
for and on behalf of McLintocks Partnership Limited
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX

Date:

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LYMM HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

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

This report is made solely to 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 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's accounting officer and the reporting accountant

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

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

Approach

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter 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 charitable company's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LYMM HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

Conclusion

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

McLintocks Partnership Limited
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX

Date:

LYMM HIGH SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 2014

		Unrestricted fund £	Restricted funds £	Fixed Assets £	2014 Total funds £	2013 Total funds £
	Notes					
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income -						
Transfer from Local Authority on conversion		-	-	-	-	26,234,000
Activities for generating funds	2	956,578	347,370	-	1,303,948	1,124,467
Incoming resources from charitable activities						
Academy's educational operations	3	-	9,355,520	853,889	10,209,409	9,340,324
Other incoming resources		-	21,771	-	21,771	37,789
Total incoming resources		<u>956,578</u>	<u>9,724,661</u>	<u>853,889</u>	<u>11,535,128</u>	<u>36,736,580</u>
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations		1,082,812	9,654,907	282,469	11,020,188	10,310,564
Governance costs	6	-	51,862	-	51,862	82,157
Total resources expended	4	<u>1,082,812</u>	<u>9,706,769</u>	<u>282,469</u>	<u>11,072,050</u>	<u>10,392,721</u>
NET INCOMING RESOURCES						
		(126,234)	17,892	571,420	463,078	26,343,859
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		-	(223,000)	-	(223,000)	81,000
Net movement in funds		<u>(126,234)</u>	<u>(205,108)</u>	<u>571,420</u>	<u>240,078</u>	<u>26,424,859</u>

The notes form part of these financial statements

LYMM HIGH SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014**

	Not es	Unrestricted fund £	Restricted funds £	Fixed Assets £	2014 Total funds £	2013 Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		17,070	(244,801)	26,652,590	26,424,859	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>(109,164)</u>	<u>(449,909)</u>	<u>27,224,010</u>	<u>26,664,937</u>	<u>26,424,859</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

LYMM HIGH SCHOOL

BALANCE SHEET At 31 August 2014

		2014			2013	
	Note	Group £	Company £	£	Group £	Company £
FIXED ASSETS						
Tangible assets	10	26,625,262	26,625,262		26,815,655	26,815,655
CURRENT ASSETS						
Stock	11	84,236	84,236		91,253	91,253
Debtors	12	734,198	734,198		151,175	151,175
Cash at bank and in hand		475,669	475,669		186,413	186,413
		1,294,103	1,294,103		428,841	428,841
CREDITORS: amounts falling due within one year	13	-200,427	-200,428		-184,637	-184,638
NET CURRENT ASSETS		1,093,676	1,093,675		244,204	244,203
TOTAL ASSETS LESS CURRENT LIABILITIES		27,718,938	27,718,937		27,059,859	27,059,858
Pension scheme liability	15	-1,054,000	-1,054,000		-635,000	-635,000
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		26,664,938	26,664,937		26,424,859	26,424,858
FUNDS OF THE ACADEMY:						
Restricted income funds						
General funds	14	604,091	604,091		390,199	390,199
Fixed asset funds	14	27,224,010	27,224,010		26,652,590	26,652,590
Restricted funds excluding pension liability		27,828,101	27,828,101		27,042,789	27,042,789
Pension reserve		-1,054,000	-1,054,000		-635,000	-635,000
Total restricted funds		26,774,101	26,774,101		26,407,789	26,407,789
Unrestricted income funds	14	-109,163	-109,164		17,070	17,069
TOTAL FUNDS		26,664,938	26,664,937		26,424,859	26,424,858

The notes form part of these financial statements

LYMM HIGH SCHOOL

BALANCE SHEET - CONTINUED
At 31 August 2014

The financial statements were approved by the Board of Trustees on12/12/2014.....
and were signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'K Walshe', written over a dotted line.

.....
K Walshe – Chair of Trustees

The notes form part of these financial statements

LYMM HIGH SCHOOL**CASH FLOW STATEMENT****for the Year Ended 31 August 2014**

		2014 £	2013 £
Net cash inflow from operating activities	Notes 1	434,527	389,013
Capital expenditure and financial investment	2	(145,271)	(202,600)
Increase in cash in the period		<u>289,256</u>	<u>186,413</u>

Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		<u>289,256</u>	<u>186,413</u>
Change in net debt resulting from cash flows		<u>289,256</u>	<u>186,413</u>
Movement in net debt in the period		289,256	186,413
Net debt at 1 September		<u>186,413</u>	<u>-</u>
Net debt at 31 August		<u>475,669</u>	<u>186,413</u>

The notes form part of these financial statements

LYMM HIGH SCHOOL

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 August 2014**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources	463,078	26,343,859
Depreciation charges	335,664	313,615
Capital grants from DfE/EFA	-	(36,670)
Transfer from Local Authority on conversion	-	(26,234,000)
FRS17 pension cost	196,000	60,000
Decrease/(increase) in stocks	7,017	(91,253)
Increase in debtors	(583,023)	(151,175)
Increase in creditors	15,791	184,637
Net cash inflow from operating activities	434,527	389,013

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(145,271)	(239,270)
Capital grants from DfE/EFA	-	36,670
Net cash outflow for capital expenditure and financial investment	(145,271)	(202,600)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank and in hand	186,413	289,256	475,669
Total	186,413	289,256	475,669

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Consolidation

The group financial statements consolidate the financial statements of the company and of its subsidiary undertakings made up to 31 August 2014. 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.

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.

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.

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES - continued

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.

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 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.

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	33.33% p.a. straight line

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **for the Year Ended 31 August 2014**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets - continued

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.

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement 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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES - 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.

2. ACTIVITIES FOR GENERATING FUNDS

	2014 £	2013 £
Shop income	171,859	181,408
Hire of facilities	85,477	111,294
Catering income	374,696	467,946
Leisure Facilities	328,439	312,559
Other income	343,477	51,260
	<u>1,303,948</u>	<u>1,124,467</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	9,354,372	9,354,372	8,769,861
DfE/EFA capital grant				
Capital grants	-	853,889	853,889	36,670
Other government grant				
Special educational projects	-	1,148	1,148	-
Local authority grants	-	-	-	533,793
	<u>-</u>	<u>10,209,409</u>	<u>10,209,409</u>	<u>9,340,324</u>

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2014

4. RESOURCES EXPENDED

		Non-pay expenditure		2014	2013
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academies					
educational					
operations					
Direct costs	6,453,585	-	659,397	7,112,982	6,614,539
Allocated support costs	1,360,161	473,215	2,073,830	3,907,206	3,696,025
	<u>7,813,746</u>	<u>473,215</u>	<u>2,733,227</u>	<u>11,020,188</u>	<u>10,310,564</u>
Governance costs					
including allocated support costs	-	-	51,862	51,862	82,157
	<u>7,813,746</u>	<u>473,215</u>	<u>2,785,089</u>	<u>11,072,050</u>	<u>10,392,721</u>

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration	8,000	8,000
Auditors' remuneration for non-audit work	22,171	6,000
Depreciation - owned assets	<u>335,664</u>	<u>313,615</u>

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

5. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	2014 £	2013 £
Direct costs - academy's educational operations		
Teaching and educational support staff	6,453,585	5,969,767
Educational supplies	467,485	410,262
Examination fees	161,423	185,578
Staff development	19,500	27,430
Educational consultancy	10,577	17,279
Other direct costs	412	4,223
	<u>7,112,982</u>	<u>6,614,539</u>
Allocated support costs - academy's educational operations		
Support staff costs	1,360,161	1,277,254
Depreciation	335,664	313,615
Technology costs	402,613	306,750
Recruitment and support	13,838	57,294
Maintenance of premises and equipment	212,523	251,773
Cleaning	254,618	209,067
Rent and rates	138,586	233,746
Energy costs	257,700	220,433
Insurance	71,505	75,799
Security and transport	78,044	47,191
Catering costs	281,533	283,338
Other support costs	500,421	419,765
	<u>3,907,206</u>	<u>3,696,025</u>
	<u>11,020,188</u>	<u>10,310,564</u>

6. GOVERNANCE COSTS

	2014 £	2013 £
Auditors' remuneration	10,000	8,000
Auditors' remuneration for non-audit work	20,171	6,000
Legal and professional fees	<u>21,691</u>	<u>68,157</u>
	<u>51,862</u>	<u>82,157</u>

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2014

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2014 nor for the year ended 31 August 2013.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

8. 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.

9. STAFF COSTS

	2014 £	2013 £
Wages and salaries	5,898,242	5,568,033
Social security costs	384,994	440,735
Other pension costs	1,029,692	810,425
	<u>7,312,928</u>	<u>6,819,193</u>
Supply teacher costs	447,318	427,828
Staff restructuring costs	53,500	-
	<u>7,813,746</u>	<u>7,247,021</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £53,500 (2013 -£nil). Three of the non-statutory/non-contractual severance payments exceeded £5,000 individually and these were for £10,900, £20,000 and £20,000.

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

	2014	2013
Teachers	120	128
Management	5	7
Administration and support	111	156
	<u>236</u>	<u>291</u>

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2014

9. STAFF COSTS - continued

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

	2014	2013
£70,001 - £80,000	-	2
£80,001 - £90,000	3	1
130,000 - £140,000	-	1
	<u>3</u>	<u>4</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these employees amounted to £30,118.

10. TANGIBLE FIXED ASSETS

<u>Group and Company</u>	Long leasehold £	Fixtures and fittings £	Totals £
COST			
At 1 September 2013	27,034,010	95,260	27,129,270
Additions	<u>37,319</u>	<u>107,952</u>	<u>145,271</u>
At 31 August 2014	<u>27,071,329</u>	<u>203,212</u>	<u>27,274,541</u>
DEPRECIATION			
At 1 September 2013	288,481	25,134	313,615
Charge for year	<u>289,535</u>	<u>46,129</u>	<u>335,664</u>
At 31 August 2014	<u>578,016</u>	<u>71,263</u>	<u>649,279</u>
NET BOOK VALUE			
At 31 August 2014	<u>26,493,313</u>	<u>131,949</u>	<u>26,625,262</u>
At 31 August 2013	<u>26,745,529</u>	<u>70,126</u>	<u>26,815,655</u>

LYMM HIGH SCHOOL**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**
for the Year Ended 31 August 2014**11. STOCKS**

	2014	2013
	£	£
Stocks	<u>84,236</u>	<u>91,253</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<u>Group and Company</u>	2014	2013
	£	£
Trade debtors	5,148	45,295
VAT	85,339	42,203
Prepayments and accrued income	<u>643,711</u>	<u>63,677</u>
	<u>734,198</u>	<u>151,175</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<u>Group</u>	2014	2013
	£	£
Trade creditors	190,427	151,037
Accruals and deferred income	<u>10,000</u>	<u>33,600</u>
	<u>200,427</u>	<u>184,637</u>
 <u>Company</u>	 2014	 2013
	£	£
Trade creditors	190,427	151,037
Accruals and deferred income	10,000	33,600
Other creditors	<u>1</u>	<u>1</u>
	<u>200,428</u>	<u>184,638</u>

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

14. MOVEMENT IN FUNDS

<u>Group</u>	At 1.9.13 £	Net movement in funds £	At 31.8.14 £
Unrestricted funds			
General fund	17,070	(126,234)	(109,163)
Restricted funds			
Fixed Assets	26,652,590	571,420	27,224,010
General funds	390,199	213,892	604,091
Pension reserve	(635,000)	(419,000)	(1,054,000)
	<u>26,407,789</u>	<u>366,312</u>	<u>26,774,101</u>
TOTAL FUNDS	<u>26,424,859</u>	<u>240,078</u>	<u>26,664,937</u>

<u>Company</u>	At 1.9.13 £	Net movement in funds £	At 31.8.14 £
Unrestricted funds			
General fund	17,069	(126,234)	(109,164)
Restricted funds			
Fixed Assets	26,652,590	571,420	27,224,010
General funds	390,199	213,892	604,091
Pension reserve	(635,000)	(419,000)	(1,054,000)
	<u>26,407,789</u>	<u>366,312</u>	<u>26,774,101</u>
TOTAL FUNDS	<u>26,424,858</u>	<u>240,078</u>	<u>26,664,937</u>

Net movement in funds, included in the above are as follows:

<u>Group and Company</u>	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	956,578	(1,082,812)	-	(126,234)
Restricted funds				
Fixed Assets	853,889	(282,469)	-	571,420
General funds	9,724,661	(9,510,769)	-	213,892
Pension reserve	-	(196,000)	(223,000)	(419,000)
	<u>10,578,550</u>	<u>(9,989,238)</u>	<u>(223,000)</u>	<u>366,312</u>
TOTAL FUNDS	<u>11,535,128</u>	<u>(11,072,050)</u>	<u>(223,000)</u>	<u>240,078</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

15. PENSION COMMITMENTS

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 Shropshire Council. Both are defined-benefit schemes. The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to join the scheme in the year/period. The obligations in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013. There were no outstanding or prepaid contributions at either the beginning or the end of the year.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

15. PENSION COMMITMENTS - continued

contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS. The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions.

At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

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

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

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2014

15. PENSION COMMITMENTS - 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 2014 was £335,000, of which employer's contributions totalled £258,000 and employees' contributions totalled £77,000. The agreed contribution rates for future years were:

Members Contributions % (of pensionable pay)	1 September 2013 to 31 March 2014	1 April 2014 to 31 August 2014
5.5	Up to £13,700	
5.8	£13,701 to £16,100	
5.9	£16,101 to £20,800	
6.5	£20,801 to £34,700	
6.8	£34,701 to £46,500	
7.2	£46,501 to £87,100	
7.5	Over £87,101	

The agreed employer's contribution rate for the period 1 September 2013 to 31 March 2014 was 13.2%, and for the period 01 April 2014 to 31 August 2014 was 13.2%.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.5%	5.1%
Rate of increase for pensions in payment	2.7%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Inflation assumption (CPI)	5.2%	5.9%

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 2014	At 31 August 2013
Retiring today		
Males	22.3	22.9
Females	24.4	25.7
Retiring in 20 years		
Males	24.1	24.9
Females	26.7	27.7

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

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected value at 31 August 2013	Fair value at 31 August 2013
Equities	6.3%	£000 1,312	6.6%	£000 1,493

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

15. PENSION COMMITMENTS - continued

Local government pension scheme

Government bonds	3.4%	459	3.5%	259
Property	4.5%	119	4.7%	119
Cash	3.3%	<u>262</u>	3.6%	<u>119</u>

Total market value of assets 2,186 1,990

Present value of scheme liabilities

- Funded	<u>(3,240)</u>	<u>(2,625)</u>
	<u>(1,054)</u>	<u>(635)</u>

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 £298,000.

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

	2014 £000	2013 £000
Current service cost (net of employee contributions)	329	260
Past service cost	-	-
Total operating charges	<u>329</u>	<u>260</u>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	138	77
Interest on pension liabilities	<u>(144)</u>	<u>(94)</u>
Pension finance income/(costs)	<u>(6)</u>	<u>(17)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £142,000 loss (2013: £81,000 gains).

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

15. PENSION COMMITMENTS - continued

Local government pension scheme

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

	2014 £000	2013 £000
At 1 September	2,625	2,134
Current service cost	329	260
Interest cost	144	94
Employee contribution	77	86
Actuarial (gain)/loss	(218)	71
Liabilities assumed as a business combination	286	-
Benefits paid	(3)	-
At 31 August	<u>3,240</u>	<u>2,625</u>

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

	2014 £000	2013 £000
At 1 September	1,990	1,478
Expected return on assets	138	77
Actuarial gain/(loss)	(441)	152
Employer contribution	258	217
Employee contribution	77	66
Liabilities assumed as a business combination	167	-
Benefits paid	(3)	-
At 31 August	<u>2,186</u>	<u>1,990</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £447,000.

The three year history of experience adjustments is as follows:

	2014 £000	2013 £000
Present value of defined benefit obligations	(3,240)	(2,625)
Fair value of share of scheme assets	<u>2,186</u>	<u>1,990</u>
Deficit in the scheme	<u>(1,054)</u>	<u>(635)</u>
Experience adjustments on share of scheme assets	(441)	152
Experience adjustments on scheme liabilities	311	-

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 August 2014

16. 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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 2014**

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income - Transfer from Local Authority on conversion	-	26,234,000
Activities for generating funds		
Shop income	171,859	181,408
Hire of facilities	85,477	111,294
Catering income	374,696	467,946
Leisure Facilities	328,439	312,559
Other income	343,477	51,260
	<u>1,303,948</u>	<u>1,124,467</u>
Incoming resources from charitable activities		
Grants	<u>10,209,409</u>	<u>9,340,324</u>
Other incoming resources		
Tuition fees	11,048	12,100
Exam fee income	<u>10,723</u>	<u>25,689</u>
	<u>21,771</u>	<u>37,789</u>
Total incoming resources	11,535,128	36,736,580
RESOURCES EXPENDED		
Charitable activities		
Wages	4,781,969	4,517,511
Social security	318,446	375,408
Pensions	852,352	649,020
Supply teacher costs	447,318	427,828
Compensation payments	53,500	-
Educational supplies	467,485	410,262
Examination fees	161,423	185,578
Staff development	19,500	27,430
Educational consultancy	10,577	17,279
Other direct costs	<u>412</u>	<u>4,223</u>
	<u>7,112,982</u>	<u>6,614,539</u>

This page does not form part of the statutory financial statements

LYMM HIGH SCHOOL**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 August 2014**

	2014 £	2013 £
Governance costs		
Auditors' remuneration	10,000	8,000
Auditors' remuneration for non-audit work	20,171	6,000
Legal and professional fees	<u>21,691</u>	<u>68,157</u>
	51,862	82,157
Support costs		
Management		
Wages	1,116,273	1,050,522
Social security	66,548	65,327
Pensions	177,340	161,405
Technology costs	402,613	306,750
Recruitment and support	13,838	57,294
Maintenance of premises and equipment	212,523	251,773
Cleaning	254,618	209,067
Rent and rates	138,586	233,746
Energy costs	257,700	220,433
Insurance	71,505	75,799
Security and transport	78,044	47,191
No description	281,533	283,338
Long leasehold	289,535	288,481
Fixtures and fittings	46,129	25,134
Other costs	<u>500,421</u>	<u>419,765</u>
	<u>3,907,206</u>	<u>3,696,025</u>
Total resources expended	11,072,050	10,392,721
Net income	<u>463,078</u>	<u>26,343,859</u>

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