

ST MERRYNS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

Company Registration No. 07808706 England and Wales

ST MERRYNS SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the accounts	15 - 16
Independent reporting accountant's report on regularity	17 - 18
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21
Notes to the accounts	22 - 38

ST MERRYNS SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

JE Brewer (Chair)
SJ Cudmore (Accounting officer)
G Brewer
LL Brewer
E Burnett (Appointed 1 June 2015)
ER Cudmore (Resigned 31 March 2015)
SG Ibbotson
J-P Kuhnzack-Richards
JS Moyes
NA Pendleton
S Simpson
EM Trenouth
CA Willoughby (Resigned 1 September 2015)

Members

G Brewer
SJ Cudmore
JS Moyes

Senior management team

- Headteacher SJ Cudmore
- Acting headteacher AJ Brook

Company secretary

V Worrall

Company registration number

07808706 (England and Wales)

Registered office

St Merryn
PADSTOW
Cornwall
PL28 8NP

Independent auditor

Robinson Reed Layton
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Bankers

National Westminster Bank plc (Newquay)
13 Bank Street
NEWQUAY
Cornwall
TR7 1GD

ST MERRYNS SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Cornwall Council Legal Services
Room 458
County Hall
TRURO
Cornwall
TR1 3AY

ST MERRYNS SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015.

The academy operates an academy for pupils aged 4 to 11 serving a catchment area in North Cornwall. It has a pupil capacity of 114 and had a roll of 115 in the school census on 2 November 2015.

Structure, governance and management

Constitution

The academy 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 St Merryn School are also the directors of the charitable company for the purposes of company law. 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

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million on any one claim.

Method of recruitment and appointment or election of trustees

The academy's governing body comprises the headteacher, a minimum of two parent trustees, any number of staff trustees (providing that the total number of trustees, including the headteacher, who are employees of the charitable company, does not exceed one third of the total number of trustees).

The charitable company shall have the following trustees as set out in its Articles of Association and funding agreement:

- up to 13 trustees who are appointed by members;
- up to 1 LA trustee who is appointed by the Local Authority;
- a minimum of 2 parent trustees who are elected by parents of registered pupils at the academy;
- any staff trustees appointed by the governing body;
- up to 3 co-opted trustees who are appointed by the governing body;
- the headteacher who is treated for all purposes as being an ex officio trustee.

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

When appointing new trustees, the board will give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the academy's development.

Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and are required to attend the new trustee training course provided by Cornwall Council.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

St Merryn School has followed the organisational structure laid down in the Articles of Association that were registered with Companies House on 13 October 2011.

The structure consists of three levels: the members, the trustees and the management team. The members of the charitable company comprise the signatories of the memorandum, including the chair of trustees. The members have defined the roles of the trustees. The members meet annually to hold an Annual General Meeting (AGM).

Trustees are also assigned specific areas of focus aligned to the management and administration of the charitable company, or specific teaching department links. The governing body committee operate in accordance with documented terms of reference.

Related parties and other connected charities and organisations

No connected organisations as at 31 August 2015.

Related party transactions are detailed in Note 24 to the accounts.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom by maintaining, managing and developing a school offering a broad and balanced curriculum.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The charitable company's main strategy is encompassed in its mission statement which is 'Bright Futures Built on Firm Foundations.'

The key objectives of the school are:-

- to improve attainment and progress for all pupils in all subjects;
- to improve educational opportunities for all pupils in all subjects;
- to improve the quality of the learning experience for all pupils in all subjects; and
- to assist and work in partnership with parents and carers to improve their child's spiritual, moral, social and cultural development.

The key aims are:-

The trustees intention is that every child takes some responsibility for their own learning and has the opportunity to experience success and self-esteem.

In particular:

- is able to communicate effectively in English and another language (read, write, listen and speak);
- can use and understand mathematics;
- knows how to seek, organise and use information (from books and information technology); and
- acquires a level of knowledge and understanding of the world with science and technology, it's history and geography, economics and industry, literature, religions and cultural diversity, and socio-political and environmental issues.

The trustees also hope to have:

- developed manipulative, sporting, scientific, technical and other physical skills and practical abilities;
- encouraged the use of creativity and imagination and enhanced aesthetic and spiritual awareness;
- encouraged pupils to observe, to enquire, to apply skills and knowledge, to solve problems and to exercise judgement in decision making;
- made school and enjoyable and safe place to be; and
- widened interest through a programme of extra-curricular activities.

It is equally important that the trustees help parents to ensure their child:

- is happy;
- can work well with others;
- takes pride in their work, listens and is honest ;
- is polite, reliable, adaptable and persevering;
- is tolerant of, and respects, other views and ways of life; and
- takes care of the environment and abides by the rules governing our community.

To make these aims a reality the trustees:

- seek to work with parents to ensure the best for their children and encourage parents to support the school in this endeavour;
- make sure children are cared for;
- deliver a broad and balanced curriculum that develops children's interests, and strengths;
- offer a wide range of clubs and out of school activities to enrich pupil development;
- provide advice; and
- engage pupils in discussion about moral and ethical issues, both formally and also informally within subject settings.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

	Reading	Writing	Maths	Science
	%	%	%	%
EYFS (good level of entry)	87	78	76	90
Year 2 - level 2+	93	87	93	93
Year 6 - level 4+	100	75	92	92

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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The charitable company's accounting period is the year to 31 August 2015.

Most of the charitable company's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2015, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The academy also received grants for fixed assets from the EFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

Reserves policy

St Merryn School trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of St Merryn School and that government balances policies will always be adhered to.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for St Merryn School. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the St Merryn School finance committee.

The trustees consider the financial year end position of £1,118,093 (2014: 995,786) comprising £1,016,457 (2014: £901,657) of restricted fixed asset funds, £(18,201) (2014: £3,094) of restricted funds and £119,837 (2014: £91,035) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(58,000) (2014: £(50,000)) and general restricted funds of £39,799 (2014: £53,094).

The level of free reserves held by the charitable company are £119,837 (2014: £91,035).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The charitable company has entered into an agreement with the LGPS trustees to make additional annual contributions of £1,100 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

The trustees of St Merryn School are not allowed to make financial investments with any level of risk with third party organisations that may threaten the future of the organisation.

Principal risks and uncertainties

The trustees use a number of academy policies, including health and safety, finance, safeguarding and a risk register to evaluate strategic and reputational, operational, compliance and financial risks to which the academy is exposed and have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the period, and are satisfied with the overall assessment.

The principal risk facing the charitable company is the future level of government funding. This risk is managed by careful control over budgeted expenditure which ensures that a deficit does not arise for the year. The trustees have also self-assessed financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the period, and are satisfied with the overall assessment.

Plans for future periods

(taken from the School Improvement Plan 14-15)

- Develop controlled assessments to raise attainment in maths, using Maths Makes Sense as a programme for ensuring assessments are accurate, regular and consistent across the school.
- Raise attainment in literacy through whole school moderation of all genres across the year.
- Improve the quality of Teaching and Learning to outstanding for all, use of observations to highlight good practice and mentor one another.
- To ensure the use of external funding demonstrates good value for money, pupil premium money spent on children to improve literacy through library/peer tutor reading activities, Rwi and high quality small group intervention.
- To develop outstanding outdoor provision in the EYFS setting, using new resources and training to ensure progression between Nursery and Class 1.
- Ensure all aspects of school life form part of the self evaluation, using new timetable across the year to keep SEF up to date.
- Enhance teaching and Learning across all areas of the curriculum through the use of portal and mobile technology. Using staff meetings to promote ICT across the curriculum through high quality in house training.
- To create a school curriculum focused on widening understanding and awareness of our locality mainly through food. To make sure that the new kitchen enables pupils to cook alongside the chef and know about food from farm to fork!

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

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.

A resolution proposing that Robinson Reed Layton be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2015 and signed on its behalf by:

JE Brewer
Chair

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that St Merryn 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 headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Merryn School and the Secretary of State for Education. They are 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 six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
JE Brewer (Chair)	9	10
SJ Cudmore (Accounting officer)	10	10
G Brewer	8	10
LL Brewer	7	10
E Burnett (Appointed 1 June 2015)	3	3
ER Cudmore (Resigned 31 March 2015)	0	6
SG Ibbotson	9	10
J-P Kuhnzack-Richards	7	10
JS Moyes	5	10
NA Pendleton	9	10
S Simpson	10	10
EM Trenouth	8	10
CA Willoughby (Resigned 1 September 2015)	8	10

Every two years we review the structure of our governing body and the impact that we have had. This work has been planned for a meeting in October 2015. We intend to use a self assessment tool to help us create a matrix to show our overall governing body skills. This will enable us to ensure future appointments address any areas not covered by current governing body. We will also use it to ensure governors are represented at committee meetings according to their skills and we look at the structure of meetings, cross referenced with our statutory duties to create a two year overview of meetings and visits. Every year as part of the schools self evaluation we discuss the impact that the governing body had had and this feeds directly into our school self evaluation form. This will continue alongside our more formal biennial review.

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year by:

Improving educational results

I set out below how I have ensured that the Academy Trusts use of its resources has provided good value for money during the academic year.

The Academy Trust has a rigorous system of tracking student progress and achievement, with underachievement identified early and appropriate interventions put in place. The academy operates an extensive programme of lesson observations, learning walks and evaluation of lessons by teaching staff and Senior Leaders. Relevant and timely action is taken to ensure any weaknesses observed are addressed appropriately.

Financial Governance and Oversight

Financial governance and oversight is strong. We purchase an SLA with Bodmin College who has a qualified accountant. We have experienced Governors on our finance committee. In addition financial assurance is further informed by quarterly Responsible Officer reports.

The Governing Body approves the budget, following detailed scrutiny by the Full Governing Body.

The Governing Body meets half termly where they receive and review the budget monitoring report. In addition governors will consider and approve larger expenditure items and compliance with the Academy Trusts tender arrangements.

The Full Governing Body receives and approves the annual financial statements and the external auditor's management letter.

Better Purchasing

The Academy Trust promotes fair competition through quotations and tenders, in accordance with its financial Regulations, to ensure that goods and services are procured in an economic and effective way.

The academy reviews its main service contracts on an annual basis to ensure that they are still fit for purpose and the best value for the school.

The Head Teacher reviews and signs all purchase orders on behalf of the academy and regularly challenges these for economy and effectiveness.

Maximising Income Generation

The academy explores every opportunity to generate income via the hiring of our facilities.

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 St Merryn School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. 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 full governing body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed J Brinson, Bodmin College, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The reviewer has delivered their schedule of work as planned.

Review of effectiveness

As accounting officer the headteacher 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 work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2015*

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

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:

JE Brewer
Chair

SJ Cudmore
Accounting officer

ST MERRYNS SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of St Merryn 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 for Education. 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's board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.

Approved on 15 December 2015 and signed by:

SJ Cudmore
Accounting Officer

ST MERRYNS SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:

JE Brewer
Chair

ST MERRYNS SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MERRYNS SCHOOL

We have audited the accounts of St Merryn School for the year ended 31 August 2015 set out on pages 19 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of St Merryn School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

ST MERRYNS SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ST MERRYNS 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 accounts 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.

Mark Williams (Senior Statutory Auditor)
Robinson Reed Layton

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Dated: 17 December 2015

ST MERRYN SCHOOL

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

In accordance with the terms of our engagement letter dated 25 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Merryn School during the period 1 September 2014 to 31 August 2015 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 St Merryn School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Merryn 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 St Merryn School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Merryn School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Merryn School's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

ST MERRYNS SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MERRYNS SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Williams

Reporting Accountant

Robinson Reed Layton

Dated: 17 December 2015

ST MERRYNS SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	2	3,901	-	-	3,901	6,092
- Activities for generating funds	3	-	-	-	-	(84)
- Investment income	4	110	-	-	110	843
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	24,791	553,639	143,677	722,107	586,101
Total incoming resources		28,802	553,639	143,677	726,118	592,952
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	6	-	566,237	36,874	603,111	500,809
Governance costs	7	-	1,700	-	1,700	1,768
Total resources expended	8	-	567,937	36,874	604,811	502,577
Net incoming/(outgoing) resources before transfers		28,802	(14,298)	106,803	121,307	90,375
Gross transfers between funds		-	(7,997)	7,997	-	-
Net income/(expenditure) for the year		28,802	(22,295)	114,800	121,307	90,375
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	1,000	-	1,000	(26,000)
Net movement in funds		28,802	(21,295)	114,800	122,307	64,375
Fund balances at 1 September 2014		91,035	3,094	901,657	995,786	931,411
Fund balances at 31 August 2015		119,837	(18,201)	1,016,457	1,118,093	995,786

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

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

ST MERRYNS SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,007,310		830,392
Current assets					
Stocks	12	1,409		476	
Debtors	13	26,228		37,721	
Cash at bank and in hand		220,214		238,523	
		<u>247,851</u>		<u>276,720</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(79,068)		(61,326)	
Net current assets			168,783		215,394
Net assets excluding pension liability			<u>1,176,093</u>		<u>1,045,786</u>
Defined benefit pension liability	18		(58,000)		(50,000)
Net assets			<u>1,118,093</u>		<u>995,786</u>
Funds of the academy:					
Restricted funds	16				
- Fixed asset funds			1,016,457		901,657
- General funds			39,799		53,094
- Pension reserve			(58,000)		(50,000)
Total restricted funds			<u>998,256</u>		<u>904,751</u>
Unrestricted income funds	16		119,837		91,035
Total funds			<u>1,118,093</u>		<u>995,786</u>

The accounts were approved by order of the board of trustees and authorised for issue on 15 December 2015.

JE Brewer
Chair

Company Number 07808706

ST MERRYNS SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	51,696	35,500
Returns on investments and servicing of finance			
Investment income		110	843
		<u>110</u>	<u>843</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance		110	843
		<u>51,806</u>	<u>36,343</u>
Capital expenditure and financial investments			
Capital grants received		143,677	81,660
Payments to acquire tangible fixed assets		(213,792)	(102,093)
		<u>(70,115)</u>	<u>(20,433)</u>
Net cash flow from capital activities		(70,115)	(20,433)
Increase/(decrease) in cash	20	<u>(18,309)</u>	<u>15,910</u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The 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 company 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 accounts.

1.3 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 period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period 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 the academy's policies.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy'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.

1.5 Tangible fixed assets and depreciation

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, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land & buildings	2% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	20% per annum on cost

1.6 Leasing and hire purchase commitments

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.8 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.

1.9 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 18, 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 are recognised as they are paid each year.

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

1.10 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 or other funders where the asset acquired or created is held for a specific purpose.

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	3,901	-	3,901	6,092

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	-	-	-	(84)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	110	-	110	843
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	433,246	433,246	464,061
Capital grants	-	143,677	143,677	81,660
Other DfE / EFA grants	-	47,204	47,204	15,881
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	624,127	624,127	561,602
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other government grants				
Local authority grants	-	73,189	73,189	14,377
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other funds				
Other incoming resources	24,791	-	24,791	10,122
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funding	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	24,791	697,316	722,107	586,101
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	335,582	335,582	310,646
Technology costs	-	9,512	9,512	5,485
Educational supplies and services	-	22,721	22,721	15,468
Staff development	-	4,777	4,777	3,121
Other direct costs	-	7,637	7,637	20,045
	-	380,229	380,229	354,765
Allocated support costs				
Support staff costs	-	67,526	67,526	35,572
Depreciation	-	36,874	36,874	33,334
Technology costs	-	8,013	8,013	4,535
Recruitment and support	-	973	973	1,199
Maintenance of premises and equipment	-	17,348	17,348	20,868
Cleaning	-	12,273	12,273	10,509
Energy costs	-	6,031	6,031	4,838
Rent and rates	-	2,371	2,371	3,704
Insurance	-	18,062	18,062	14,798
Security and transport	-	272	272	634
Catering	-	25,624	25,624	2,087
Other support costs	-	27,515	27,515	13,966
	-	222,882	222,882	146,044
Total costs	-	603,111	603,111	500,809

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Auditor's remuneration				
- Audit of financial statements	-	1,700	1,700	1,500
Support staff costs	-	-	-	268
	-	1,700	1,700	1,768

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8 Resources expended

	Staff costs £	Premises costs £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	340,359	-	39,870	380,229	354,765
- Allocated support costs	67,526	54,222	101,134	222,882	146,044
	<u>407,885</u>	<u>54,222</u>	<u>141,004</u>	<u>603,111</u>	<u>500,809</u>
Other expenditure					
Governance costs	-	-	1,700	1,700	1,768
	<u>-</u>	<u>-</u>	<u>1,700</u>	<u>1,700</u>	<u>1,768</u>
Total expenditure	<u>407,885</u>	<u>54,222</u>	<u>142,704</u>	<u>604,811</u>	<u>502,577</u>

Net income/(expenditure) for the year includes:

	2015 £	2014 £
Operating leases		
- Plant and machinery	396	1,882
Fees payable to auditor		
- Audit	1,700	1,500
- Other services	2,750	1,750
	<u>2,750</u>	<u>1,750</u>

9 Staff costs

	2015 £	2014 £
Wages and salaries	313,084	260,947
Social security costs	17,905	15,643
Other pension costs	58,378	44,377
	<u>389,367</u>	<u>320,967</u>
Supply teacher costs	13,741	25,251
Staff development and other staff costs	4,777	3,121
	<u>18,518</u>	<u>28,372</u>
Total staff costs	<u>407,885</u>	<u>349,339</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:

	2015 Number	2014 Number
Teachers	5	5
Administration and support	7	4
Management	1	1
	<u>13</u>	<u>10</u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

(Continued)

There were no employees whose annual remuneration was £60,000 or more.

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, 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 and other benefits was as follows:

SJ Cudmore (headteacher):

- Remuneration £40,000 - £45,000 (2014: £30,000 - £35,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £0 - £5,000)

A Brook (acting headteacher):

- Remuneration £Nil (2014: £30,000 - £35,000)
- Employer's pension contributions £Nil (2014: £0 - £5,000)

SG Ibbotson (staff):

- Remuneration £10,000 - £15,000 (2014: £5,000 - £10,000)
- Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

ER Cudmore (staff):

- Remuneration £5,000 - £10,000 (2014: £30,000 - £35,000)
- Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

E Burnett (staff):

- Remuneration £5,000 - £10,000
- Employer's pension contributions £0 - £5,000

During the year, travel and subsistence payments totalling £Nil (2014: £Nil) were reimbursed or paid directly to Nil trustees (2014: no trustees).

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

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 and the cost for the year ended 31 August 2015 was £253 (2014: £480).

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Leasehold land & buildings £	Computer equipment £	Furniture & equipment £	Total £
Cost				
At 1 September 2014	854,177	43,176	10,009	907,362
Additions	172,857	1,925	39,010	213,792
	<u>1,027,034</u>	<u>45,101</u>	<u>49,019</u>	<u>1,121,154</u>
Depreciation				
At 1 September 2014	42,771	31,911	2,288	76,970
Charge for the year	19,815	7,255	9,804	36,874
	<u>62,586</u>	<u>39,166</u>	<u>12,092</u>	<u>113,844</u>
Net book value				
At 31 August 2015	<u>964,448</u>	<u>5,935</u>	<u>36,927</u>	<u>1,007,310</u>
At 31 August 2014	<u>811,406</u>	<u>11,265</u>	<u>7,721</u>	<u>830,392</u>

12 Stocks

	2015 £	2014 £
School uniform	928	476
Catering stock	481	-
	<u>1,409</u>	<u>476</u>

13 Debtors

	2015 £	2014 £
VAT recoverable	14,237	11,467
Other debtors	354	-
Prepayments and accrued income	11,637	26,254
	<u>26,228</u>	<u>37,721</u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

14 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	2,205	5,779
Taxes and social security costs	12,487	9,546
Accruals	49,967	31,373
Deferred income	14,409	14,628
	<u>79,068</u>	<u>61,326</u>
	<u><u>79,068</u></u>	<u><u>61,326</u></u>
15 Deferred income	2015	2014
	£	£
Deferred income is included within:		
Creditors due within one year	14,409	14,628
	<u>14,409</u>	<u>14,628</u>
Total deferred income at 1 September 2014	14,628	-
Amounts credited to the statement of financial activities	(14,628)	-
Amounts deferred in the year	14,409	14,628
	<u>14,409</u>	<u>14,628</u>
Total deferred income at 31 August 2015	<u><u>14,409</u></u>	<u><u>14,628</u></u>

At the balance sheet date the academy was holding funds received in advance for Universal Infant Free School Meals for the academic year 15/16.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	53,094	433,246	(438,544)	(7,997)	39,799
Other DfE / EFA grants	-	47,204	(47,204)	-	-
Other government grants	-	73,189	(73,189)	-	-
	<u>53,094</u>	<u>553,639</u>	<u>(558,937)</u>	<u>(7,997)</u>	<u>39,799</u>
Funds excluding pensions	53,094	553,639	(558,937)	(7,997)	39,799
Pension reserve	(50,000)	-	(9,000)	1,000	(58,000)
	<u>3,094</u>	<u>553,639</u>	<u>(567,937)</u>	<u>(6,997)</u>	<u>(18,201)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	282,967	143,677	(16,129)	-	410,515
Inherited fixed asset fund	581,921	-	(12,338)	-	569,583
Capital expenditure from GAG or other funds	36,769	-	(8,407)	7,997	36,359
	<u>901,657</u>	<u>143,677</u>	<u>(36,874)</u>	<u>7,997</u>	<u>1,016,457</u>
Total restricted funds	<u>904,751</u>	<u>697,316</u>	<u>(604,811)</u>	<u>1,000</u>	<u>998,256</u>
Unrestricted funds					
General funds	<u>91,035</u>	<u>28,802</u>	<u>-</u>	<u>-</u>	<u>119,837</u>
Total funds	<u>995,786</u>	<u>726,118</u>	<u>(604,811)</u>	<u>1,000</u>	<u>1,118,093</u>

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

Restricted general funds - The restricted general fund includes grants receivable from the Education Funding Agency and the Department for Education towards the principal activity of the academy, being the provision of education.

Restricted fixed asset funds - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to St Merryn School on 1 November 2011 and Education Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	1,007,310	1,007,310
Current assets	119,837	118,867	9,147	247,851
Creditors falling due within one year	-	(79,068)	-	(79,068)
Defined benefit pension liability	-	(58,000)	-	(58,000)
	<u>119,837</u>	<u>(18,201)</u>	<u>1,016,457</u>	<u>1,118,093</u>

18 Pensions 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 Cornwall Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £6,808 (2014: £5,960) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £28,029 (2014: £31,809).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.7% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £25,000.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £1,100 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

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.

Contributions made	2015	2014
	£	£
Employer's contributions	24,000	14,000
Employees' contributions	7,000	4,000
	<hr/>	<hr/>
Total contributions	31,000	18,000
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions	2015	2014
	%	%
Rate of increase in salaries	4.6	4.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70
	:	:

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2015:

0.5% decrease in Real Discount Rate - 15% approximate increase to Employer Liability equating to approximately £36,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £7,000.

0.5% increase in the Salary Increase Rate - 9% approximate increase to Employer Liability equating to approximately £20,000.

0.5% increase in the Pension Increase Rate - 6% approximate increase to Employer Liability equating to approximately £14,000.

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

	2015 Years	2014 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.8	26.8
	:	:

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	73,000	6.2	76,000
Bonds	3.8	88,000	3.2	56,000
Property	3.8	12,000	4.5	8,000
Other assets	3.8	4,000	3.3	1,000
		<u>177,000</u>		<u>141,000</u>
Total market value of assets		177,000		141,000
Present value of scheme liabilities - funded		(235,000)		(191,000)
		<u>(58,000)</u>		<u>(50,000)</u>
Net pension asset / (liability)		(58,000)		(50,000)

The expected rates of return are set equal to the discount rate (as per the forthcoming FRS 102 disclosure requirements).

The actual return on scheme assets was £5,000 (2014: £11,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	33,000	16,000
Past service cost	-	-
	<u>33,000</u>	<u>16,000</u>
Finance costs/(income)		
Expected return on pension scheme assets	(8,000)	(5,000)
Interest on pension liabilities	8,000	5,000
	<u>-</u>	<u>-</u>
Net finance costs/(income)	-	-
	<u>33,000</u>	<u>16,000</u>
Total charge/(income)	<u>33,000</u>	<u>16,000</u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations	(Continued)	
Actuarial gains and losses recognised in the statement of financial activities		
	2015	2014
	£	£
Actuarial (gains)/losses on assets: actual return less expected	3,000	(33,000)
Experience (gains)/losses on liabilities	-	25,000
(Gains)/losses arising from changes in assumptions	(4,000)	34,000
	<hr/>	<hr/>
Total (gains)/losses	(1,000)	26,000
	<hr/> <hr/>	<hr/> <hr/>
Cumulative (gains)/losses to date	34,000	35,000
	<hr/> <hr/>	<hr/> <hr/>
Movements in the present value of defined benefit obligations		
	2015	2014
	£	£
Obligations at 1 September 2014	(191,000)	(107,000)
Current service cost	(33,000)	(16,000)
Interest cost	(8,000)	(5,000)
Contributions by employees	(7,000)	(4,000)
Actuarial gains/(losses)	4,000	(59,000)
	<hr/>	<hr/>
At 31 August 2015	(235,000)	(191,000)
	<hr/> <hr/>	<hr/> <hr/>
Movements in the fair value of scheme assets		
	2015	2014
	£	£
Assets at 1 September 2014	141,000	85,000
Expected return on assets	8,000	5,000
Actuarial gains/(losses)	(3,000)	33,000
Contributions by employers	24,000	14,000
Contributions by employees	7,000	4,000
	<hr/>	<hr/>
At 31 August 2015	177,000	141,000
	<hr/> <hr/>	<hr/> <hr/>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations (Continued)

History of experience gains and losses

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(235,000)	(191,000)	(107,000)	(87,000)
Fair value of share of scheme assets	177,000	141,000	85,000	64,000
Surplus / (deficit)	<u>(58,000)</u>	<u>(50,000)</u>	<u>(22,000)</u>	<u>(23,000)</u>
Experience adjustment on scheme assets	(3,000)	33,000	4,000	1,000
Experience adjustment on scheme liabilities	-	(25,000)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	121,307	90,375
Capital grants and similar income	(143,677)	(81,660)
Investment income	(110)	(843)
Defined benefit pension costs less contributions payable	9,000	2,000
Depreciation of tangible fixed assets	36,874	33,334
(Increase)/decrease in stocks	(933)	30
(Increase)/decrease in debtors	11,493	44,037
Increase/(decrease) in creditors	17,742	(51,773)
Net cash inflow/(outflow) from operating activities	<u>51,696</u>	<u>35,500</u>

20 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	(18,309)	15,910
Net funds at 1 September 2014	238,523	222,613
Net funds at 31 August 2015	<u>220,214</u>	<u>238,523</u>

21 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	238,523	(18,309)	-	220,214
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

22 Commitments under operating leases

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	-	396
	<u> </u>	<u> </u>

23 Capital commitments

	2015 £	2014 £
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	-	108,317
	<u> </u>	<u> </u>

24 Related parties

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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

St Merryn Garage - transactions of £Nil (2014: £211) took place during the year with St Merryn Garage which is owned by the father of A Brook in relation to purchases of supplies. £Nil (2014: £Nil) was outstanding at year end.

R Mitchell - transactions of £1,125 (2014: £Nil) took place during the year for education consultancy work provided by R Mitchell, father to E Cudmore. £Nil (2014: £Nil) was outstanding at the year end. In entering into the transaction the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

P Kirkby - transactions of £241 (2014: £Nil) took place during the year for photography work provided by P Kirkby, father to S Cudmore. £Nil (2014: £Nil) was outstanding at the year end. In entering into the transaction the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

25 Members' liability

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