

Registered number: 07557886

PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Members	Mr D Farmer Mr P Hamon Mrs S Woodford, Chair
Trustees	Mr D Farmer, Head Teacher ^{1,2,3} Mr P Hamon (resigned 14 February 2014) ^{1,3} Mrs S Woodford, Chair ^{1,2,3} Mrs S Capers ^{2,3} Mrs S Everson, Staff Governor ^{1,3} Mrs V Gregory ^{1,2} Mrs J Rickard, Vice Chair ^{1,2} Mrs B Schulz-Golder ^{1,2} Councillor V Pengelly ^{1,2} Mr K Bunt ^{1,2} Mr A Edwards ^{1,2,3} Mr P Hill (resigned 14 February 2014) ^{1,2} Mr S Harvey ³ Mrs H Massey-Clamp (appointed 1 September 2013) Mr J Wright (appointed 6 November 2013) ³ Mrs J Williams (appointed 1 September 2013) Mrs S Doige

- 1 Curriculum committee
- 2 Personnel committee
- 3 Finance and premises committee

Company registered number	07557886
Principal and Registered office	Church Road Plymstock Plymouth Devon PL9 9AZ
Company secretary	J Crookston
Accounting officer	D Farmer
Senior management team	Mr D Farmer, Headteacher Miss A Perry, Senior Deputy Headteacher Mr R Diment, Deputy Headteacher Mr W Sprenkel, Senior Assistant Headteacher Mr R Pearsall, Assistant Headteacher Mrs K Dyke, Assistant Headteacher Mrs R Wright, Assistant Headteacher Mrs L Duff, Assistant Headteacher Mrs J Crookston, School Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Bankers Lloyds TSB Bank plc
13 Fore Street
Ivybidge
Devon
PL21 9AD

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in Plymouth. It has a pupil capacity of 1,650 and had a roll of 1,569 in the school census on 15 October 2014.

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 Plymstock School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Plymstock School.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 April 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for 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's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 20 other Trustees.

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

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees 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.

There is a Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are three committees as follows;

- Finance and Premises Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Personnel Committee

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteacher's and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Middle Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Headteacher, Senior Deputy Headteacher, two Deputy Headteachers, four Assistant Headteachers, and the Academy Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager and Finance, Finance and Premises Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Football Foundation have sponsored the 3G pitch at the Academy which required submittal of an annual Monitoring and Evaluation report.

Goals have use of the Academy's leisure facilities and there is a shared use agreement between them and the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities between the ages of 11 and 18.

The principal object and activity of the Charitable Company is the operation of Plymstock School Academy is to provide free education and care for pupils of different abilities between the ages of 11 and 18.

The aims of the Academy during the year ended 31 August 2014 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- To enhance the tertiary provision and outcomes.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 A* - C GCSE grades including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Plymstock School Academy we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan which is in every classroom and office, and is also available from the School Office.

The document is structured under five areas of focus:

- The Quality of Teaching and Learning
- The Student Experience
- The Drive for Achievement
- The Effectiveness of Leadership and Management
- Partnerships to Assist Learning

Improvement focuses identified for this year include:

- Using 'buddy coaching' as a pilot for other areas to strengthen the impact of teaching and learning.
- Continue the 'greening' of the school site and provide student friendly areas of the campus. To improve energy efficiency across the school.
- Use the 'Student Support Programme' to maintain high standards in English and Maths and to improve

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

achievement in other subjects. To maximise the number of students achieving 5 A* to C including English and Maths and therefore enhance their life chances.

- To engage a local Ofsted Inspector to train staff to carry out lesson observations under the new framework.
- To work with Plym Consortium schools to achieve economies of scale, better value CPD and shared teaching.

Key activities and targets were identified in the School Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- Setting ambitious targets throughout the school at all levels. The monitoring of these targets to secure high outcomes for all students was developed into a more rigorous process with accountability structures reviewed.
- Review and restructuring of the Senior Leadership Team, enabling a flatter structure and an evaluation of the ethos and culture of leadership across the school. The school will now be led under three areas of focus: Learning and the Student, Learning and the Teacher and Learning and the Curriculum.
- Review of the current curriculum structure to assess relevance and suitability in line with national developments. To support motivation of students and maximise life chances. This was carried out in 2013/14 and implemented for 2014/15. In light of further curriculum changes in the period from 2014 to 2018 there will be further curriculum developments within the new structure, for example the replacement of National Curriculum levels.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Plymstock and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to Sport.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

Due to national changes it is not applicable to compare examination performance for 2014 with previous years. However performance of students at Plymstock School is well above the national average for students gaining 5+ A*-C including English and Maths. In the present climate where examination boards are raising grade boundaries we are pleased to celebrate this high level of performance.

GCSE

5+ A* to C including English and Mathematics was 59%, with all students studying seven discreet subject areas and no multiple qualifications. The percentage of students achieving the EBacc was 34% - significantly above the national standard.

A Level

Pathways from Year 13 are rich and varied and it was wonderful to see all our students gain their next steps in their learning journey with their excellent A Level results. This cohort all achieved at least one A level pass with over 80% of students achieving good passes in three or more A levels. Achievement in vocational subjects was also very high.

The monitoring of Learning and Teaching is an important measure of our Achievements and Standards, this including Lesson Observations, Learning Walks and various Work Scrutiny activities. These are carried out

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

within a fixed schedule and enabled both Senior and Middle Managers to target appropriate intervention. To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

During the year the Academy was successful in gaining an Academies Capital Maintenance Fund (ACMF) bid to replace windows with more efficient double glazed units.

The school has successfully tarmacked the majority of the site and the tennis courts have also been refurbished and remarked.

Continuing professional development for staff has been very successful with 8 teaching staff undertaking courses, 3 studying for National Professional Qualification for Senior Leaders (NPQSL) and 3 for the National Professional Qualification for Middle Leadership (NPQML), and 2 studying the National Professional Qualification for Headteacher's NPQH.

During the year, the Academy's charity fundraising activities raised £2337.

The Academy has established close links with Hele's School (Academy), Ridgeway School (Academy) and Coombe Dean School (Academy). The three Academies are embarking on mutual staff development, with the primary aim of driving up standards.

Key Performance Indicators

The following KPI's were set at the start of the year :

	Target	Actual
Student attendance	95%	95%
Exam success	64%	59%

The exam success target for the percentage of students achieving 5 A*-C at GCSE including English and Maths was set before it became clear that the changes to the GCSE examination system would lead to depressed figures nationally. Our shortfall is comparable to the overall change in national figures for this year.

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 Going concern policy.

FINANCIAL REVIEW

Financial Review

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

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2014, total expenditure of £8,088,123 was covered by recurrent grant funding from the DfE, together with other incoming resources of £8,755,755. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £201,836.

At 31 August 2014 the net book value of fixed assets was £28,084,741 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued in 2012 at £27,400,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£165,915) was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Trustees have adopted an internal audit policy and appointed Mandy Vickery to undertake a programme of internal checks on the financial controls. During the year, the Trustees received three reports from the internal audit which contained no matters of significance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance [alternative reasons might be relevant eg fall in pupil numbers resulting in losing a classroom but not wanting to lose a teacher, a rise in pupil numbers meaning not enough funding to teach the pupils etc]. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £601,759.

The Trustees have reviewed the future plans of the Academy and have that reserves will be at a level necessary to:

- Support building projects should the CIF bid be unsuccessful
- To support any changes to pay and conditions
- To support future years allocated decreasing income

Unrestricted reserves will be at a level necessary to:

- Allow future planned expenditure that cannot be met from the annual budget.
- Allow the creation and maintenance of a 'Contingency' fund for the replacement of large capital and infrastructure items, and used to deal with unknown items of expenditure that cannot be expected to be funded from annual budgets.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Business Manager within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 95% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed an internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy and a Risk Register.. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Due to the demographics of Plymouth there is a fall in students in Year 6 across the City but risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance and Premises Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as custodian trustees on behalf of others.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on ~~....15....12....14.~~ and signed on the board's behalf by:



**Mrs S Woodford
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Plymstock 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 Plymstock 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 Trustees' responsibilities statement. The board of trustees has formally met 16 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Farmer	14	16
Mr P Hamon	0	0
Mrs S Woodford, Chair	12	16
Mrs S Capers	7	16
Mrs S Everson, Staff Governor	10	16
Mrs V Gregory	13	13
Mrs J Rickard, Vice Chair	12	13
Mrs B Schulz-Golder	9	13
Councillor V Pengelly	1	13
Mr K Bunt	11	16
Mr A Edwards	13	16
Mr P Hill	2	5
Mr S Harvey	7	16
Mrs H Massey-Clamp	14	16
Mr J Wright	12	16
Mrs J Williams	6	13
Mrs S Doige	12	16

Governance reviews:

No formal review has been undertaken in the year, however the trustees plan to complete a review in the new financial year.

The **Finance and Premises Committee** is a sub-committee of the main board of trustees. Its purpose is to:

- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's public and private finances and resources including the buildings.
- To ensure that the Academy undertakes proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.

Major issues will be referred to the full governing body for ratification.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Capers	1	3
Mr S Harvey	1	3
Mr D Farmer	3	3
Mrs J Blonden	3	3
Mrs S Everson	3	3
Mr J Wright	2	3
Mrs S Woodford	3	3
Mr K Bunt	3	3
Mr A Edwards	2	3
Mrs S Doige	1	3

The Audit Committee is also a sub-committee of the Finance and Premises Committee. Its purpose is to:

Assist the Governing Body in fulfilling its oversight responsibilities with particular reference to strategic financial reporting, internal control, risk management and external audit. To make appropriate comments and recommendations on such matters, to the Governing Body on a regular basis and refer major issues to the Governing Body for ratification.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Plymstock School for the period 1 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and 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 and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

GOVERNANCE STATEMENT (continued)

Mandy Vickery (St Kew Accountants) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor has delivered their scheduled visits and written reports have been provided. No material control issues were reported.

The external auditors have delivered one report covering the full year. No material control issues were reported.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- 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 and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on ~~15-12-14~~ and signed on its behalf, by:



Mrs S Woodford
Chair of Governors



Mr D Farmer
Accounting Officer

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, 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.



Mr D Farmer
Accounting Officer

Date: 15/12/14

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The Trustees (who act as governors of Plymstock School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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 period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees and signed on its behalf by:



**Mrs S Woodford
Chair of Governors**

Date: 15-12-14

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMSTOCK SCHOOL

We have audited the financial statements of Plymstock School for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy'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 Trustees' report 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 Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

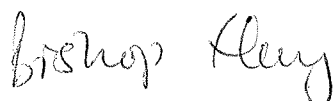
**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMSTOCK 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.



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

17 December 2014

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PLYMSTOCK SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 October 2012 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 Plymstock 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 Plymstock School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Plymstock School and 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 Plymstock School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PLYMSTOCK SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Plymstock School's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PLYMSTOCK
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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
17 December 2014

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014**

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	1,994	150,498	-	152,492	155,707
Activities for generating funds	3	147,011	-	-	147,011	201,774
Investment income	4	9,295	-	-	9,295	8,370
Incoming resources from charitable activities	5	161,980	8,254,957	30,020	8,446,957	9,872,654
TOTAL INCOMING RESOURCES		320,280	8,405,455	30,020	8,755,755	10,238,505
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		119,282	-	-	119,282	138,957
Charitable activities		103,831	8,262,684	564,224	8,930,739	8,792,423
Governance costs	9	9,000	29,102	-	38,102	42,485
TOTAL RESOURCES EXPENDED	6	232,113	8,291,786	564,224	9,088,123	8,973,865
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		88,167	113,669	(534,204)	(332,368)	1,264,640

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	18	-	(120,303)	120,303	-	-
NET INCOME / (EXPENDITURE) FOR THE PERIOD		88,167	(6,634)	(413,901)	(332,368)	1,264,640
Actuarial gains and losses on defined benefit pension schemes		-	(308,000)	-	(308,000)	(82,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		88,167	(314,634)	(413,901)	(640,368)	1,182,640
Total funds at 1 September		513,592	(479,205)	28,498,642	28,533,029	27,350,389
TOTAL FUNDS AT 31 AUGUST		601,759	(793,839)	28,084,741	27,892,661	28,533,029

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 24 to 42 form part of these financial statements.

PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07557886

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		28,084,741		28,153,038
CURRENT ASSETS					
Debtors	15	145,290		561,488	
Cash at bank and in hand		2,403,369		2,142,728	
			2,548,659	2,704,216	
CREDITORS: amounts falling due within one year	16	(441,476)		(508,225)	
NET CURRENT ASSETS			2,107,183		2,195,991
TOTAL ASSETS LESS CURRENT LIABILITIES			30,191,924		30,349,029
CREDITORS: amounts falling due after more than one year	17		(17,263)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			30,174,661		30,349,029
Defined benefit pension scheme liability	25		(2,282,000)		(1,816,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			27,892,661		28,533,029
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	18	1,488,161		1,336,795	
Fixed asset funds	18	28,084,741		28,498,642	
Restricted funds excluding pension liability		29,572,902		29,835,437	
Pension reserve		(2,282,000)		(1,816,000)	
Total restricted funds			27,290,902		28,019,437
Unrestricted funds	18		601,759		513,592
TOTAL FUNDS			27,892,661		28,533,029

The financial statements were approved by the Trustees, and authorised for issue, on 15-12-14 and are signed on their behalf, by:



Mrs S Woodford, Chair
Chair of Trustees

The notes on pages 24 to 42 form part of these financial statements.

**PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	717,253	(362,200)
Returns on investments and servicing of finance	21	9,295	8,370
Capital expenditure and financial investment	21	(465,907)	32,129
INCREASE/(DECREASE) IN CASH IN THE YEAR		260,641	(321,701)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	260,641	(321,701)
MOVEMENT IN NET FUNDS IN THE YEAR	260,641	(321,701)
Net funds at 1 September 2013	2,142,728	2,464,429
NET FUNDS AT 31 AUGUST 2014	2,403,369	2,142,728

The notes on pages 24 to 42 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

Guidance in the Accounts Direction has changed from last year. The guidance on the disclosure of school trips income had been amended resulting in the comparative figures being adjusted.

Some income streams previously included within activities for generating funds have been reallocated to incoming resources from charitable activities. Associated costs have also been reallocated.

1.2 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 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

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

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 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 it is measurable.

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.

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

1.4 RESOURCES EXPENDED

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

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

Governance costs 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.5 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. The trustees conclude that it is appropriate to prepare the accounts on the going concern basis for the year ended 31st August 2014.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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 are 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	20% reducing balance
Fixtures, fittings & equipment	-	20% reducing balance
Computer equipment	-	33.33% straight line

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.9 PENSIONS

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 25, 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.

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 the 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 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. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	1,994	150,498	152,492	155,707
	<u>1,994</u>	<u>150,498</u>	<u>152,492</u>	<u>155,707</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings	113,061	-	113,061	181,322
Other	33,950	-	33,950	20,452
	<u>147,011</u>	<u>-</u>	<u>147,011</u>	<u>201,774</u>

PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	9,295	-	9,295	8,370
	<u>9,295</u>	<u>-</u>	<u>9,295</u>	<u>8,370</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
Capital Grants	-	30,020	30,020	1,114,741
General Annual Grant	-	7,541,674	7,541,674	7,826,145
Other DfE/EFA grants	14,400	268,124	282,524	273,979
	<u>14,400</u>	<u>7,839,818</u>	<u>7,854,218</u>	<u>9,214,865</u>
Other government grants				
Special Educational Needs	-	287,817	287,817	455,324
Other government grants non capital	-	135,349	135,349	10,940
	<u>-</u>	<u>423,166</u>	<u>423,166</u>	<u>466,264</u>
Other funding				
Internal catering income	87,504	-	87,504	68,328
Other	60,076	21,993	82,069	123,197
	<u>147,580</u>	<u>21,993</u>	<u>169,573</u>	<u>191,525</u>
	<u>161,980</u>	<u>8,284,977</u>	<u>8,446,957</u>	<u>9,872,654</u>

PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other	2014	2013
	£	2014	2014	£	£
		£	£		
Costs of activities for generating funds	58,218	-	61,064	119,282	261,720
COSTS OF GENERATING FUNDS	58,218	-	61,064	119,282	261,720
Direct costs	5,443,808	449,342	800,143	6,693,293	6,762,433
Support costs	1,400,084	574,962	262,400	2,237,446	1,907,227
CHARITABLE ACTIVITIES	6,843,892	1,024,304	1,062,543	8,930,739	8,669,660
GOVERNANCE	6,195	-	31,907	38,102	42,485
	6,908,305	1,024,304	1,155,514	9,088,123	8,973,865

7. DIRECT COSTS

	Total	Total
	2014	2013
	£	£
Pension finance costs	61,000	44,000
Educational supplies	478,995	418,729
Examination fees	131,291	113,619
Staff development	-	285
Other costs	222,999	81,154
Supply teachers	23,525	50,783
Wages and salaries	4,457,099	4,575,826
National insurance	348,566	352,142
Pension cost	638,143	706,871
Depreciation	331,675	323,135
Subtotal	6,693,293	6,666,544
Other direct costs	-	104,170
	6,693,293	6,770,714

PLYMSTOCK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

8. SUPPORT COSTS

	Total 2014 £	Total 2013 £
Recruitment and other staff costs	56,038	60,957
Maintenance of premises and equipment	153,727	77,972
Cleaning	17,166	16,494
Rent and rates	58,167	54,354
Heat and light	86,865	129,620
Security and transport	63,087	95,018
Catering	26,885	18,593
Technology costs	1,004	120
Office overheads	51,471	63,391
Legal and professional	90,342	42,256
Bank interest and charges	60	7
Wages and salaries	1,103,265	1,053,983
National insurance	59,845	54,127
Pension cost	236,975	156,517
Depreciation	232,549	198,300
	<u>2,237,446</u>	<u>2,021,709</u>

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	9,000	7,300	16,300	7,000
Auditors' non audit costs	-	12,263	12,263	16,432
Legal and Professional	-	-	-	3,100
Other costs	-	3,344	3,344	1,071
Wages and salaries	-	6,195	6,195	14,882
	<u>9,000</u>	<u>29,102</u>	<u>38,102</u>	<u>42,485</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	564,224	521,434
Auditors' remuneration	16,300	7,300
Auditors' remuneration - non-audit	12,263	16,432
Other item - user input	15,855	11,560
	<u>564,224</u>	<u>521,434</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	5,587,819	5,646,236
Social security costs	408,411	410,138
Other pension costs (Note 25)	875,118	867,363
	<u>6,871,348</u>	<u>6,923,737</u>
Supply teacher costs	32,863	50,783
Compensation payments	4,094	-
	<u><u>6,908,305</u></u>	<u><u>6,974,520</u></u>

b. Staff severance payments

Included in staff costs are non contractual/non statutory severance payments totalling £959 (2013: Nil)

c. Staff numbers

The average number of persons employed by the Academy during the period expressed as full time equivalents was as follows:

	2014	2013
	No.	No.
Teachers	87	92
Administration and support	86	96
Management	12	10
	<u>185</u>	<u>198</u>

d. Higher paid staff

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

	2014	2013
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	0	1
In the band £110,001 - £120,000	1	0
	<u>4</u>	<u>4</u>

The above information on staff numbers and employees within bands for the 2012 comparative is based on a 12 month period rather than the 17 month period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2013: 4) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

During the period, no Trustees received any reimbursement of expenses (2013: £NIL).

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The annualised value of governors' remuneration was as follows: D Farmer one hundred and fifteen to one hundred and twenty thousand, S Everson twenty five to thirty thousand and S Graves thirty five to forty thousand pounds.

13. 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 period ended 31 August 2014 was £1,560 (2013: £1,560). The cost of this insurance is included in the total amount.

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures, fittings & equipment £	Computer equipment £	Total £
COST					
At 1 September 2013	28,561,205	25,455	604,946	129,201	29,320,807
Additions	465,501	-	29,174	1,252	495,927
At 31 August 2014	<u>29,026,706</u>	<u>25,455</u>	<u>634,120</u>	<u>130,453</u>	<u>29,816,734</u>
DEPRECIATION					
At 1 September 2013	946,525	7,429	134,499	79,316	1,167,769
Charge for the period	414,594	4,319	101,826	43,485	564,224
At 31 August 2014	<u>1,361,119</u>	<u>11,748</u>	<u>236,325</u>	<u>122,801</u>	<u>1,731,993</u>
NET BOOK VALUE					
At 31 August 2014	<u>27,665,587</u>	<u>13,707</u>	<u>397,795</u>	<u>7,652</u>	<u>28,084,741</u>
At 31 August 2013	<u>27,614,680</u>	<u>18,026</u>	<u>470,447</u>	<u>49,885</u>	<u>28,153,038</u>

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15. DEBTORS

	2014	2013
	£	£
Trade debtors	64,085	33,435
VAT recoverable	3,865	108,405
Other debtors	-	1,034
Prepayments and accrued income	77,340	418,614
	<u>145,290</u>	<u>561,488</u>

16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	20,239	64,594
Other taxation and social security	116,731	117,688
Other creditors	122,586	120,034
Accruals and deferred income	181,920	205,909
	<u>441,476</u>	<u>508,225</u>

DEFERRED INCOME

£

17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Other creditors	17,263	-
	<u>17,263</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	513,592	320,280	(232,113)	-	-	601,759
RESTRICTED FUNDS						
General Annual Grant (GAG)	1,278,338	7,855,584	(7,567,018)	(120,303)	-	1,446,601
Pupil premium	52,247	249,624	(260,311)	-	-	41,560
Other restricted funds	6,210	149,749	(155,959)	-	-	-
Trip income	-	150,498	(150,498)	-	-	-
Pension reserve	(1,816,000)	-	(158,000)	-	(308,000)	(2,282,000)
	(479,205)	8,405,455	(8,291,786)	(120,303)	(308,000)	(793,839)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	27,006,529	-	(409,216)	-	-	26,597,313
Fixed assets purchased from GAG and other restricted funds	273,965	-	(65,574)	120,303	-	328,694
DfE/EFA Capital grants	1,218,148	30,020	(89,434)	-	-	1,158,734
	28,498,642	30,020	(564,224)	120,303	-	28,084,741
Total restricted funds	28,019,437	8,435,475	(8,856,010)	-	(308,000)	27,290,902
Total of funds	28,533,029	8,755,755	(9,088,123)	-	(308,000)	27,892,661

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

Restricted Funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Special Educational Needs - Funding received by the Local Authority to fund further support for students with additional needs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

18. STATEMENT OF FUNDS (continued)

Other Restricted Funds - This represents other various income received with restrictions.

Pension Reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Fixed Assets Transferred on Conversion – This represent the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed Assets Purchased from GAG and Unrestricted funds - This represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/EFA Capital Grants - This represent funding from the DfE/EFA to cover the maintenance and purchase of the schools assets.

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 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	513,592	320,280	(232,113)	-	-	601,759
Restricted funds	(479,205)	8,405,455	(8,291,786)	(120,303)	(308,000)	(793,839)
Restricted fixed asset funds	28,498,642	30,020	(564,224)	120,303	-	28,084,741
	<u>28,533,029</u>	<u>8,755,755</u>	<u>(9,088,123)</u>	<u>-</u>	<u>(308,000)</u>	<u>27,892,661</u>

PLYMSTOCK SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	28,084,741	28,084,741	28,153,039
Current assets	601,759	1,946,900	-	2,548,659	2,704,215
Creditors due within one year	-	(441,476)	-	(441,476)	(508,226)
Creditors due in more than one year	-	(17,263)	-	(17,263)	-
Pension scheme liability	(466,000)	(1,816,000)	-	(2,282,000)	(1,816,000)
	<u>601,759</u>	<u>(793,839)</u>	<u>28,084,741</u>	<u>27,892,661</u>	<u>28,533,029</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	(332,368)	1,264,640
Returns on investments and servicing of finance	(9,295)	(8,370)
Depreciation of tangible fixed assets	564,224	(521,434)
Capital grants from DfE	(30,020)	(1,114,741)
Decrease in debtors	416,197	23,015
Decrease in creditors	(49,485)	(125,310)
Defined benefit pension scheme adjustments	158,000	120,000
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	<u>717,253</u>	<u>(362,200)</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>9,295</u>	<u>8,370</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(495,927)	(775,896)
Capital grants from DfE	30,020	808,025
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	<u>(465,907)</u>	<u>32,129</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	2,142,728	260,641	-	2,403,369
NET FUNDS	2,142,728	260,641	-	2,403,369

23. CONTINGENT LIABILITIES

At the 31 August 2014 there is an ongoing investigation being undertaken by the Health and Safety Executive. No final outcomes have been made in this investigation and it is not possible to quantify any potential liability at this time.

24. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	-	324,646

25. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2010.

Contributions amounting to £102,510 were payable to the scheme at 31 August 2014 (2013: 103,336) 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure

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25. PENSION COMMITMENTS (continued)

(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

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. 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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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 from April 2012 on a 40:80:100% basis.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and

NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £324,000, of which employer's contributions totalled £248,000 and employees' contributions totalled £76,000. The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% for employees.

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.

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 return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70	558	7.00	1,170
Bonds	3.60	88	-	-
Property	5.90	210	6.00	176
Gilts	3.00	121	3.50	254
Overseas equities	6.70	733	-	-
Other assets	10.30	460	13.00	352
Total market value of assets		<u>2,170</u>		<u>1,952</u>
Present value of scheme liabilities		<u>(4,452)</u>		<u>(3,768)</u>
(Deficit)/surplus in the scheme		<u><u>(2,282)</u></u>		<u><u>(1,816)</u></u>

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.

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(4,452,000)	(3,768,000)
Fair value of scheme assets	2,170,000	1,952,000
Net liability	<u><u>(2,282,000)</u></u>	<u><u>(1,816,000)</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2014	2013
	£	£
Current service cost	(331,000)	(324,000)
Interest on obligation	(186,000)	(127,000)
Expected return on scheme assets	125,000	83,000
Past service cost	(13,111)	-
	<hr/>	<hr/>
Total	(405,111)	(368,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2014	2013
	£	£
Opening defined benefit obligation	3,768,000	3,076,000
Current service cost	331,000	324,000
Interest cost	186,000	127,000
Contributions by scheme participants	76,000	76,000
Actuarial Losses	122,000	216,000
Benefits paid	(31,000)	(51,000)
Liability transferred on conversion	-	-
	<hr/>	<hr/>
Closing defined benefit obligation	4,452,000	3,768,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2014	2013
	£	£
Opening fair value of scheme assets	1,952,000	1,462,000
Expected return on assets	125,000	83,000
Actuarial gains and (losses)	(186,000)	134,000
Contributions by employer	234,000	248,000
Contributions by employees	76,000	76,000
Benefits paid	(31,000)	(51,000)
	<hr/>	<hr/>
	2,170,000	1,952,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(938,000) (2013: £(630,000)).

The Academy expects to contribute £219,000 to its Defined benefit pension scheme in 2015.

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	59.00 %	60.00 %
Property	10.00 %	9.00 %
Cash	2.00 %	3.00 %
Target return portfolio	14.00 %	15.00 %
Infrastructure	3.00 %	- %
Gilts	6.00 %	13.00 %
Other bonds	4.00 %	- %
Alternative assets	2.00 %	- %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.70 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %
Inflation assumption (CPI)	2.70 %	3.70 %

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

	2014	2013
Retiring today		
Males	22.7	20.6
Females	26	24.6
Retiring in 20 years		
Males	24.9	22.6
Females	28.3	26.5

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(4,452,000)	(3,768,000)
Scheme assets	2,170,000	1,952,000
Deficit	(2,282,000)	(1,816,000)
Experience adjustments on scheme liabilities	(122,000)	(216,000)
Experience adjustments on scheme assets	(186,000)	134,000

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NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING LEASE COMMITMENTS

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

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
EXPIRY DATE:				
Within 1 year	-	-	841	240
Between 2 and 5 years	-	-	14,955	10,602

27. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the year: Sales of £3,500 were made to Elburton Primary School Academy. Mrs J Rickard is a director of both Plymstock School and Elburton Primary School Academy.