

**Light Hall School**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

31 August 2013

Company Registration No.07687583

# Light Hall School

## REFERENCE AND ADMINISTRATIVE DETAILS

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Governors (Trustees)	SM Bauckham (resigned 1 July 2013) MK Beattie (resigned 24 July 2013) H Cosford MJ Davis JW Greenan AM Hunter S March ML Mynott (resigned 30 April 2013) VJ Scutt (resigned 24 July 2013) EJ Spicer CA Thomas J Williams (resigned 27 November 2012) SA Moss (Chair) JL Tomkinson (appointed 9 October 2012) A Hobday (appointed 25 February 2013) R Ashraf (appointed 21 January 2013) JM Ulliott (resigned 8 October 2012) M Arrowsmith (resigned 8 October 2012) R Barr (appointed 2 September 2013)
Senior Management Team:	
Headteacher	VJ Scutt (resigned 24 July 2013)
Deputy Headteacher	R Barr
Assistant Headteacher	R Hall
Assistant Headteacher	S Purewal
Assistant Headteacher	R McCrainor
Principal and Registered Office	Hathaway Road Shirley Solihull West Midlands B90 2PZ
Company Registration Number	07687583 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN
Solicitors	Veale Wasbrough Vizards Bristol Office Orchard Court Orchard Lane Bristol BS1 5WS
Responsible Officer	Solihull Audit Services Solihull Metropolitan Borough Council PO Box 9 Solihull B91 9QU

# Light Hall School

## GOVERNORS' REPORT

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The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2013.

### **Structure, Governance and Management**

#### **Constitution**

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

The company was incorporated on 29 June 2011. On 1 August 2011 Light Hall School converted from a specialist college to academy trust status under the Academies Act 2010 and all the operations, and assets and liabilities were transferred to Light Hall School from the Governors of Light Hall School.

Details of the Governors who served throughout the year except as noted 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.

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

#### **Principal activities**

The Academy Trust's principal activities are specifically restricted to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Academy Trust operates under a Funding Agreement issued by the Department for Education on 29 July 2011 and commenced operations on 1 August 2011.

#### **Method of recruitment and appointment or election of governors**

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The governors who were in office at 31 August 2013 and served throughout the year, except where shown, are listed on page 1.

The Members may appoint Governors but this will not be subject to any maximum. They may appoint staff Governors through such processes as they may determine, usually by secret ballot, provided that the total number of governors (including the Head Teacher), who are employees of the Academy Trust does not exceed one third of the total number of governors. The Local Authority (LA) may appoint up to 1 LA governor. The Head Teacher shall be treated for all purposes as being an ex-officio governor. There will be a minimum of 2 parent governors who shall be elected by parents of registered students at the Academy. The governors may appoint up to 3 co-opted governors.

# Light Hall School

## GOVERNORS' REPORT

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

New governors attend full governing body meetings and subsequently populate committees, often according to interests and personal expertise. Each new governor has a nominated mentor governor and training is offered each term by Governor Services and appropriate records are kept of this. Copies of policies, handbooks and literature are disseminated throughout the year.

### Organisational structure

A unified leadership structure operates to help improve the way the Academy is run. The structure consists of Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The governors are responsible for the strategic development of the Academy, adopting an annual School Improvement Plan (SIP) and budget, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

To ensure an efficient and effective committee structure with the Academy's School Improvement Plan at its core, there are governor committees responsible for Finance & General Purposes, Personnel and Curriculum.

The substantive Senior Leadership Team is made up of the Head Teacher, Deputy Head Teacher and 6 Senior Assistant Head Teachers. (For Autumn 2013, due to the semi-retirement of the current Head Teacher, a modified structure was introduced for one term, consisting of an Executive Head Teacher, Associate Head Teacher, 2 Deputy Head Teachers and 4 Assistant Head Teachers.) These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Leaders are responsible for the authorisation of spending within agreed budgets and appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Head Teacher must countersign.

Head of Departments are responsible for the day to day operation of curriculum subject areas and accordingly organise the teaching staff, capitation resources, facilities and students.

### Risk management

The Governors have responsibility for assessing the strategic risks to which the Academy is exposed and have commissioned a risk register which produces a systematic analysis of all risks, placing them in priority order.

The governors are implementing a number of systems to assess the risks the Academy faces, especially in the strategic risk areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

### Connected organisations, including related party relationships

As part of its operation the Academy liaises with organisations such as the Local Authority as well as with other education providers and trainers such as local schools, further education institutions and universities. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

# Light Hall School

## GOVERNORS' REPORT

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### Public Benefit

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this governors' annual report.

The Trust Governors have complied with the duty in the Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers and duties. In particular the Governors consider how planned activities will contribute to the aims and objective they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objective via a strong community role.

### **Objectives and Activities**

#### Objects and aims

The Academy's main objectives are encompassed in its mission statement 'BE POSITIVE' in which Light Hall School aspires to be a leading and innovative academy demonstrating excellence in all that it does. Underpinning this are the following tenets:

- As an Academy to explore all opportunities to maximise learning for all our students
- To recognise, encourage and celebrate all talents
- Provide new opportunities and sense of enjoyment, discovery and achievement in the life-long learning process
- To develop the social skills to become part of a safe, caring and orderly community
- To promote positive and supportive relationships between home, school and community
- To create a framework for students to become independent, adaptable and confident so that they are able to take their place in a complex and evolving society
- To encourage students to respect others and the environment

To this end the activities provided include:

- Tuition and learning opportunities for all students to attain the highest standard in academic qualifications
- Training opportunities for all staff, to encourage them to be effective models of learning and development
- Specialist activities in all curricular areas
- A programme of sporting and after-school leisure activities for all students to widen their experiences
- A system of pre and after-school clubs to allow students to develop as learners
- Community learning links that can support other learners in Shirley and surrounding areas

#### Objectives, strategies and activities

The main objectives for the year, in addition to establishing the Academy, were stated in the 2012/13 School Improvement Plan and stated, along with actions required, as follows

#### Achievement

1. Further improve rates of student progress throughout the school
2. Develop use of pupil premium funding to address underachievement
3. Introduce new procedures for pupil target setting
4. Introduce new curriculum model
5. Review Year 11 preparation for examinations
6. Introduction of new arrangements for GCSE and BTEC
7. Reduce variation within subjects in pupil outcomes

# Light Hall School

## GOVERNORS' REPORT

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8. Review RAG initiative
9. Schemes for promoting improvements in reading age
10. Explore the use of form time
11. Case Studies - underachievers

### Teaching

1. Evaluate and develop a revised SLT curriculum monitoring programme.
2. Further develop the work of the South Solihull cluster
3. Links with Tudor Grange Academy Teaching School
4. Explore alternative models for in-house CPD
5. SEN Department monitoring
6. Literacy plan
7. Expand use of FROG to areas not currently used
8. Homework – quality assurance
9. Marking – quality assurance

### Behaviour

1. Specific group monitoring re: pastoral issues (exclusions etc.)
2. Online reporting system of concerns for students
3. Revise behaviour profile system to a more diagnostic form
4. Attendance

### L & M

1. Further explore Academy freedoms (SLA's, Policies and Curriculum)
2. Introduction of new senior support staff structure.
3. Introduction of new Appraisal and Capability policy and procedures.
4. Prepare a bid to acquire a sixth form.
5. Implementing new Ofsted framework
6. Review induction procedures for new staff
7. Improving effectiveness of Governing Body
8. Succession planning
9. Increase in non-contact time for core subject teachers and HOD
10. SLA's associated with pastoral work – for the new academic year
11. Sixth form accommodation
12. Windows 7 operating system
13. Upgrade server to windows server 2008
14. Updates to CCCT infrastructure
15. Minibuses
16. Cleaning contract review
17. School catering
18. Capitation of V.F.M

### SMSC

1. Acquire ECO schools award
2. Year 10 work experience replaced by Year 11 mock interviews
3. Olympics
4. Diamond Jubilee

### **Achievements and Performance**

An Ofsted inspection occurred in June 2013. The school was graded good in all areas. Some aspects, such as capacity to improve, were described as outstanding. The main areas identified for further improvement included the use of data to inform teaching, an inconsistent quality in teaching and in marking and some concerns regarding levels of attendance. The school has developed plans to address these areas.

# Light Hall School

## GOVERNORS' REPORT

The academic year 2012/13 saw a general fall in student exam outcomes compared to the previous year. However, in the context of a weaker cohort, the results were in line with expectations. Some headline figures:

- Outstanding mathematics results – 82% A\*-C's, 21% A\*-A, 83% 3+ levels of progress, 46% 4+ levels of progress
- Improving English results (65% A\*-C), but further consolidation required
- Mixed subject results. Positive areas – MFL, RE, Media, Drama, PE, Technology. Areas of concern – science (anticipated inherited staffing problems), computing, GCSE Business Studies

### Exam results – summary A \* - C percentages

Subject	2013	2013	2012	2012	2011	2011	2010	2010
	A*-C	A*-A	A*-C	A*-A	A*-C	A*-A	A*-C	A*-A
English Lang	89	21	77.8	18.9	66.4	16	74.2	17.6
English Lit	96	8	80.5	28.6	97.8	23.2	94.4	31.1
English	33	0	9.6	0				
Mathematics	82	21	86.1	20.7	72.4	16.5	78.5	12.9
Science - double	44	8	75.2	13.7	76	13.1	81	7
Science - single	51	5	69.8	14.7	67	12	54	7
Biology	69	17	88.3	40	83.1	27.1	97.6	41.5
Chemistry	79	17	83.3	28.3	76.3	16.9	97.6	43.9
Physics	74	14	93.3	30	72.9	22	97.6	48.8
2x science	51	8	80	7	75	6	38.5	11
Art	57	9	80	22.5	56.7	19.4	90	15
Drama	85	22.2	79.2	4.2	36.6	4.9	63.3	10
French	91	15.6	92.9	14.3	68.8	3.1	60.5	7.9
German	86	22	90	20	53.6	10.7	91.2	26.5
Spanish	93	28	96	30	88.9	35.6	73	18.9
Geography	64	16	81.6	28.6	44.4	5.6	78.1	50
History	65	27	76.3	20.6	65.5	24.5	67.1	26.6
RE	69	19	70.1	22.9	65.1	22.3	87.5	43.8
PE	85	38	81.3	38.5			100	39
Child Dev	48	9	75.9	17.2	60.6	3	41.7	22.2
Media Studies	78	13	65.1	19.1	80	35	100	47
Music	71	0	90.9	9.1	66.7	0	43.8	0
Tech	69	13	59.6	9.6	64.4	6.7	65.6	18.8
Applied Art	62	0	53.3	6.7			65.2	95.7
Health & social care	60	7	51.4	2.9	75	13.6	75	6.3
Computing	33	0	50	6.3				

# Light Hall School

## GOVERNORS' REPORT

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	Result
5+A*-C EM	59
5+A*-C	76
Capped Point Score	333
En 3 levels progress	65
En 4 levels progress	22
Ma 3 levels progress	84
Ma 4 levels progress	46

### Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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 its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### Financial Review

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 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. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities ("SORP 2005") such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £6,542,104 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year before other recognised gains and losses was £432,056.

At 31 August 2013 the net book value of fixed assets was £21,363,549 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 students of the Academy.



# Light Hall School

## GOVERNORS' REPORT

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### **Financial and risk management objectives and policies**

#### Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity commission and the National Curriculum.
- Financial risk – not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information

The key controls used by the academy include:

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

#### Reserves policy

The Governors review the reserves 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 Governors have determined that an appropriate level of free reserves should be equivalent to 1 weeks expenditure approximately £100,000. 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. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £326,793.

The Academy's share of the Local Government Pension Scheme deficit is £1,171,000 as at 31 August 2013. The Governors have agreed to fund this deficit in accordance with the recommendations of the latest actuarial valuation carried out on 31 August 2013. Further details are provided in note 17.

#### Investment policy

The Governors' policy is to invest any surplus funds in low risk short term bank deposits.

#### Plans for Future Years

Now that the Academy conversion has been finalised the main objectives for 2013/14 are stated in the School Improvement Plan as follows:-

#### Achievement

1. Further improve rates of student progress throughout the school (in-school variations in boys, SEND, FSM6) (RHA)
2. Continue to develop use of pupil premium funding (RHA)
3. Introduce new curriculum model across the school (SPU)
4. Prepare for introduction of new National Curriculum and revised GCSE's

# Light Hall School

## GOVERNORS' REPORT

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5. Reduce variation within subjects in pupil outcomes
6. Develop and implement a programme to further raise progress of high achieving students
7. Improvements in GCSE English and science results

### Teaching

1. Develop the role of AST's in school CPD programme (RHA)
2. Evaluate and revise SLT curriculum monitoring programme (VSC)
3. Make teaching consistently good or outstanding
4. Further develop collaborative CPD practices with neighbouring schools (SPU)
5. Continue to develop alternative models for in-house CPD (RHA/SPU)
6. Develop and introduce a new Numeracy policy (RBL)
7. Develop and implement Year 2 of whole-school literacy programme (VLU)
8. Continue to develop FROG
9. Investigate further e-learning opportunities to support T&L (RBA)

### Behaviour

1. Introduce new HOY structure (RMC)
2. Further improve attendance and punctuality (RMC)
3. Review and evaluate effectiveness of detentions.(RMC)
4. Review and evaluate effectiveness of temporary exclusions. (RMC)
5. Introduction of new uniform (VSC, RMC)

### L&M

1. Recruitment of new Headteacher (Governors)
2. Continue to explore Academy freedoms (VSC)
3. Introduction of new Appraisal and Capability policies for teaching staff (VSC)
4. Improve the effectiveness of the Governing Body
5. Evaluate effectiveness of existing SLA's and address issues as appropriate (VSC)
6. Implement Yr 2 of leadership programme.- SPU
7. External evaluation of ICT Network and its effective support and delivery
8. Introduce New Cleaning Contract
9. Review of the Catering Provision
10. Confirm and Implement site summer refurbishment programme

### SMSC

1. Provide further staff training on SMSC (RHA, ASTs)

### **Funds held as Custodian Trustee on behalf of others**

The Academy and its Governors do not act as the Custodian Trustees of any other Charity or funds.

# Light Hall School

## GOVERNORS' REPORT

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### **Auditors**

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

### **Statement as to disclosure of information to auditors**

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Board at its meeting on 12<sup>th</sup> December 2013 and signed on its behalf by:

**Shirley Moss**  
**Chair**

# Light Hall School

## GOVERNANCE STATEMENT

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### Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Light Hall 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 Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Light Hall School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Full governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Jacky Ulliott (resigned 8 October 2012)	0	0
Mel Arrowsmith (resigned 8 October 2012)	0	0
Ann Hunter	2	3
John Williams (resigned 27 November 2012)	0	1
Stefan March	1	3
Jane Spicer	2	3
Joanna Tomkinson (appointed 9 October 2012)	2	3
Martin Mynott (resigned 30 April 2012)	1	2
Shirley Moss/Worth	3	3
Heidi Cosford	3	3
Sue Bauckham (resigned 1 July 2013)	2	3
Chris Thomas	3	3
Andrew Hobday (appointed 25 February 2013)	2	2
Razina Ashraf (appointed 21 January 2013)	0	2
Mary Beattie (resigned 24 July 2012)	2	3
John Greenan	3	3
Marina Davis	3	3
Vic Scutt	3	3

### 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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Light Hall School for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

The Governing Body have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

# Light Hall School

## GOVERNANCE STATEMENT

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and yearly financial reports which are reviewed and agreed by the Governing Body
- regular reviews by the Finance and General Purpose Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to ensure 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 Governing Body has considered the need for a specific internal audit function and have decided to appoint a Responsible Officer. The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The Responsible Officer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

### **Review of effectiveness**

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

- the work of the Responsible Officer
- the work of the external auditor
- the work of the senior managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the reviews of the system of internal control by the Finance and General Purpose 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 Governing Body 12th December 2013 and signed on its behalf by:

**VJ Scutt**  
**Accounting Officer**

**Shirley Moss**  
**Chair**

# Light Hall School

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of Light Hall School I have considered my responsibility to notify the academy trust governing body 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 trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date.

**VJ Scutt**  
**Accounting Officer**

# Light Hall School

## STATEMENT ON GOVERNORS' RESPONSIBILITIES

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

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

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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the 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 governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the governing body on 12<sup>th</sup> December 2013 and signed on its behalf by:

**Shirley Moss**  
**Chair**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHT HALL SCHOOL

We have audited the financial statements of Light Hall School for the year ended 31 August 2013 on pages 17 to 39. 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 issued by the Education Funding Agency.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other requirement of the Companies Act 2006**

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



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

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

St Philips Point

Temple Row

Birmingham

West Midlands

B2 5AF

2013

**Light Hall School**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income & Expenditure Account)  
for the year ended 31 August 2013

	Notes	Unrestricted Funds £	Year ended 31 August 2013		Total 2013 £	Total 2012 £
			Restricted Funds General	Fixed Assets £		
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds						
Voluntary income:						
Transfer from local authority on conversion	2	-	-	-	-	21,325,222
Activities for generating funds	3	402,569	-	-	402,569	348,208
Investment income	4	10,771	-	-	10,771	1,029
Capital grants	2	-	-	738,245	738,245	165,667
Incoming resources from charitable activities:						
Funding for academy's educational operations	5	-	5,822,575	-	5,822,575	6,100,702
<b>TOTAL INCOMING RESOURCES</b>		<b>413,340</b>	<b>5,822,575</b>	<b>738,245</b>	<b>6,974,160</b>	<b>27,940,828</b>
<b>RESOURCES EXPENDED</b>						
Other resources expended:						
Transfer from local authority on conversion		-	-	-	-	(957,000)
Costs of generating funds	7	(311,130)	-	-	(311,130)	(226,130)
Charitable activities:						
Academy's educational operations	8+9	-	(5,881,428)	(321,938)	(6,203,366)	(6,174,120)
Governance costs	10	-	(27,608)	-	(27,608)	(16,095)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(311,130)</b>	<b>(5,909,036)</b>	<b>(321,938)</b>	<b>(6,542,104)</b>	<b>(7,373,345)</b>
<b>NET INCOMING/ (OUTGOING) RESOURCES &amp; NET INCOME/ (EXPENDITURE) FOR THE YEAR</b>		<b>102,210</b>	<b>(86,461)</b>	<b>416,307</b>	<b>432,056</b>	<b>20,567,483</b>
<b>TRANSFERS</b>						
Gross transfers between funds						
		-	-	-	-	-
<b>OTHER RECOGNISED GAINS/LOSSES</b>						
Actuarial gains/ (losses) on defined benefit pension schemes						
	17	-	42,000	-	42,000	(154,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>102,210</b>	<b>(44,461)</b>	<b>416,307</b>	<b>474,056</b>	<b>20,413,483</b>
<b>RECONCILIATION OF FUNDS</b>						
Fund balances brought forward						
At 31 August 2012		224,583	(870,687)	21,059,587	20,413,483	-
<b>FUND BALANCES CARRIED FORWARD AT 31 August 2013</b>	<b>18</b>	<b>326,793</b>	<b>(915,148)</b>	<b>21,475,894</b>	<b>20,887,539</b>	<b>20,413,483</b>

The net movement in funds for the year arises from the charitable company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the statement of financial activities.

# Light Hall School

## BALANCE SHEET

as at 31 August 2013

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	Notes	2013		2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	14	21,363,549		20,968,615	
<b>CURRENT ASSETS</b>					
Debtors	15	151,794		202,048	
Investments		800,000		-	
Cash at bank and in hand		14,966		786,810	
		<u>966,760</u>		<u>988,858</u>	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	(271,770)		(375,990)	
<b>NET CURRENT ASSETS</b>					
			<u>694,990</u>		<u>612,868</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS EXCLUDING PENSION LIABILITY</b>					
			<u>22,058,539</u>		<u>21,581,483</u>
Defined benefit pension scheme liability	17	(1,171,000)		(1,168,000)	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>					
			<u>20,887,539</u>		<u>20,413,483</u>
<b>FUNDS OF THE ACADEMY</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	18	21,475,894		21,059,587	
General	18	255,852		297,313	
Pension reserve	17, 18 & 19	(1,171,000)		(1,168,000)	
<b>TOTAL RESTRICTED FUNDS</b>					
	18 & 19		<u>20,560,746</u>		<u>20,188,890</u>
<b>UNRESTRICTED FUNDS</b>					
General fund	18 & 19		326,793		224,583
<b>TOTAL UNRESTRICTED FUNDS</b>					
	18 & 19		<u>326,793</u>		<u>224,583</u>
<b>TOTAL FUNDS</b>					
	18 & 19		<u>20,887,539</u>		<u>20,413,483</u>

The financial statements on pages 17 to 39 were approved by the Governors and authorised for issue on 12<sup>th</sup> December 2013 and are signed on their behalf by

**Shirley Moss**  
Chair

Company number: 07687583

**Light Hall School**  
**CASH FLOW STATEMENT**  
for the year ended 31 August 2013

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	Notes	2013 £	2012 £
<b>NET CASH (OUTFLOW)/ INFLOW FROM</b>			
<b>OPERATING ACTIVITIES</b>	12	(3,988)	868,402
Capital expenditure	12	21,373	(82,621)
Interest received	12	10,771	1,029
Management of liquid resources	12	(800,000)	-
<b>(DECREASE)/ INCREASE IN CASH FOR THE YEAR</b>	13	<u>(771,844)</u>	<u>786,810</u>
 <b>RECONCILIATION OF NET CASH FLOW TO</b>			
<b>MOVEMENT IN NET FUNDS</b>			
Net funds at 1 September 2012	13	786,810	-
(Decrease)/ Increase in cash		(771,844)	786,810
Net funds at 31 August 2013	13	<u>14,966</u>	<u>786,810</u>

# Light Hall School

## ACCOUNTING POLICIES

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **GOING CONCERN**

The Governors 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 Trust to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **INCOMING RESOURCES**

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

#### **Grants receivable**

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the year in which they are receivable to the extent the conditions of funding have been met. 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.

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 hire of facilities is recognised in the year it is receivable and to the extent the goods have been provided or the completion of the service.

#### **Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

### **RESOURCES EXPENDED**

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges 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 on the Academy Trust's educational operations.

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

# Light Hall School

## ACCOUNTING POLICIES

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### **TAXATION**

The charitable company is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for United Kingdom corporation tax purposes. Accordingly, the charitable company 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.

### **FUND ACCOUNTING**

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

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

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets costing £1,000 or more are capitalised at cost 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. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Leasehold land	- no depreciation
Leasehold buildings	- 2% straight line
Computer equipment	- 25% straight line

### **PENSION BENEFITS**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

# Light Hall School

## ACCOUNTING POLICIES

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### **PENSION BENEFITS (continued)**

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

### **LEASED ASSETS AND OBLIGATIONS**

All leases are “operating leases” and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

	2013	2012
	£	£
1. GENERAL ANNUAL GRANT (GAG)		
Results and carry forward for the year		
GAG brought forward from previous year	297,313	-
GAG allocation for the current year	5,479,462	5,955,522
Total GAG available to spend	<u>5,776,775</u>	<u>5,955,522</u>
Recurrent expenditure from GAG	(5,520,923)	(5,658,209)
Fixed assets purchased from GAG	-	-
GAG carried forward to the next year	<u>255,852</u>	<u>297,313</u>
Maximum permitted GAG carry forward at the end of current year (12% of allocation for current year)	<u>(657,535)</u>	<u>(714,663)</u>
GAG surrender to DfE (12% rule breached if result is positive)	<u>(401,683)</u>	<u>(417,350)</u>
	(no breach)	(no breach)

	Unrestricted funds	Restricted funds	Restricted fixed assets	2013	2012
	£	£	£	£	£
2. VOLUNTARY INCOME					
Assets and liabilities inherited upon conversion:					
Agreed cash settlements		-	-	-	81,367
Fixed assets inherited	-	-	-	-	21,223,746
School fund		-	-	-	20,109
Capital grants	-	-	738,245	738,245	165,667
	-	-	<u>738,245</u>	<u>738,245</u>	<u>21,490,889</u>

	Unrestricted funds	Restricted funds	Total 2013	Total 2012
	£	£	£	£
3. ACTIVITIES FOR GENERATING FUNDS				
Trip income	105,004	-	105,004	31,862
Catering income	150,863	-	150,863	139,517
Sales of goods/services	51,214	-	51,214	57,458
Sundry lettings and hire of facilities	95,488	-	95,488	119,371
	<u>402,569</u>	<u>-</u>	<u>402,569</u>	<u>348,208</u>



**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

	Unrestricted funds		Total 2013 £	Total 2012 £	
<b>4. INVESTMENT INCOME</b>					
Bank interest receivable on short term cash deposits	10,771		10,771	1,029	
	<u>10,771</u>		<u>10,771</u>	<u>1,029</u>	
	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
<b>5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS</b>					
Core academy funding:					
General Annual Grant (GAG)	-	5,479,462	-	5,479,462	5,955,522
Other government funding:					
Pupil premium	-	273,533	-	273,533	86,176
Special Educational Needs income	-	46,090	-	46,090	26,404
Academy set up grant	-	-	-	-	25,000
Other DfE/EFA grants	-	23,490	-	23,490	7,600
	<u>-</u>	<u>5,822,575</u>	<u>-</u>	<u>5,822,575</u>	<u>6,100,702</u>
<b>6. RESOURCES EXPENDED</b>					
	Staff costs £	Non pay expenditure Premises      Other costs £                      £		Total 2013 £	Total 2012 £
Transfer from local authority on conversion	-	-	-	-	957,000
Costs of activities for generating funds	-	-	311,130	311,130	226,130
Academy Trust's educational operations					
Direct costs	3,946,625	179,783	45,337	4,171,745	4,428,235
Allocated support costs	706,424	532,032	793,165	2,031,621	1,745,885
	<u>4,653,049</u>	<u>711,815</u>	<u>1,149,632</u>	<u>6,514,496</u>	<u>7,357,250</u>
Governance costs including allocated support costs	-	-	27,608	27,608	16,095
	<u>4,653,049</u>	<u>711,815</u>	<u>1,177,240</u>	<u>6,542,104</u>	<u>7,373,345</u>

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

6. RESOURCES EXPENDED (continued)

Net incoming/(outgoing) resources for the year are stated after charging:	2013 £	2012 £
Operating leases - plant and machinery	-	-
- other	10,173	-
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- audit	12,518	11,000
- other services	12,400	2,500
	<u>12,518</u>	<u>11,000</u>

7. COSTS OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
Catering	150,863	-	-	150,863	139,517
Trips	105,004	-	-	105,004	29,155
Examination fees	51,214	-	-	51,214	57,458
VAT write off	4,049	-	-	4,049	-
	<u>311,130</u>	<u>-</u>	<u>-</u>	<u>311,130</u>	<u>226,130</u>

8. ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
Direct costs:					
Teaching – staff costs	-	3,946,625	-	3,946,625	4,191,211
Teaching – other costs	-	45,335	-	45,335	67,984
Premises – other costs	-	179,783	-	179,783	169,040
Support costs (see note 9)	-	1,709,685	321,938	2,031,623	1,745,885
	<u>-</u>	<u>5,881,428</u>	<u>321,938</u>	<u>6,203,366</u>	<u>6,174,120</u>

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

	Unrestricted Funds £	Restricted Funds General £	Restricted Fixed Assets £	Total 2013 £	Total 2012 £
<b>9. SUPPORT</b>					
Staff costs	-	706,426	-	706,426	612,265
Net finance expense on pension					
Scheme assets and liabilities – see note 17	-	45,000	-	45,000	48,260
Premises – other costs	-	532,032	-	532,032	376,157
Welfare – other costs	-	53,041	-	53,041	51,857
Depreciation – owned assets	-	-	321,938	321,938	329,826
Recruitment and training	-	22,806	-	22,806	21,794
Other costs	-	350,380	-	350,380	305,726
	-	1,709,685	321,938	2,031,623	1,745,885

	Unrestricted Funds £	Restricted Funds General £	Restricted Fixed Assets £	Total 2013 £	Total 2012 £
<b>10. GOVERNANCE COSTS</b>					
Legal and professional fees	-	3,690	-	3,690	1,595
Auditor's remuneration:					
Audit of the financial statements	-	12,518	-	12,518	11,000
Preparation of accounts	-	2,500	-	2,500	2,500
Other services	-	7,400	-	7,400	-
Responsible officer	-	1,500	-	1,500	1,000
	-	27,608	-	27,608	16,095

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

11.	STAFF COSTS	2013	2012
		No.	No.
	The average monthly number of persons employed by the charitable company (excluding governors) during the year, expressed as full time equivalents, was as follows:		
	Teaching	109	108
	Administration and support	30	26
	Management	4	4
		<u>143</u>	<u>138</u>
		2013	2012
		£	£
	Staff costs for the above persons:		
	Wages and salaries	3,748,120	3,947,351
	Social security costs	302,618	296,960
	Pension costs - defined benefit schemes:		
	Teachers' Pension Scheme	357,519	385,165
	Local Government Pension Scheme	176,998	159,000
	Supply teacher costs	40,284	-
	Settlement costs	27,510	15,000
		<u>4,653,049</u>	<u>4,803,476</u>

One employee (2012: none) received settlement costs in excess of £5,000.

	2013	2012
	No.	No.
The number of employees whose emoluments for the year exceeded £60,000 fell within the following ranges:		
£60,001 to £70,000	-	2
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1
	<u>1</u>	<u>1</u>

The charitable company made contributions to pension schemes on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the year amounted to £21,158 (2012: £42,143).

No other member of staff received total emoluments in excess of £60,000 during the current year.

# Light Hall School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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### 11. STAFF COSTS (Continued)

#### **GOVERNORS' REMUNERATION AND EXPENSES**

In addition to being a governor, V Scutt was the Headteacher. In respect of his role as Headteacher, V Scutt received emoluments for qualifying services amounting to £84,271 (2012: £80,244) and the charitable company incurred pension costs of £11,944 (2012: £11,399) in respect of the pension benefits accruing to him.

In addition to being governors, R Barr, J Greenan, M Davis and M Beattie were also members of staff. In respect of their role as members of staff, these governors received aggregate emoluments for qualify services amounting to £183,439 (2012: £125,138) and the charitable company incurred aggregate pension costs of £26,325 (2012: £18,792) in respect of the pension benefits accruing to them.

Other than as disclosed above, none of the governors received any remuneration for services as a trustee of the charity or as a director of the company during the current year. V Scutt, the Headteacher, received reimbursement for travel expenses incurred in relation to the charitable company during the year amounting in aggregate to £0 (2012: £199).

#### **GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice Light Hall School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Light Hall School business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £748.

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

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

	2013	2012
	£	£
12. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES		
Net income	432,056	20,567,483
Fixed assets acquired on conversion	-	(21,215,820)
Capital grants from DfE and other capital income	(738,245)	-
FRS 17 pension liability on conversion	-	957,000
FRS 17 pension service cost less contributions paid	9,000	8,000
FRS 17 pension finance expense	36,000	49,000
Depreciation	321,938	329,826
Interest receivable	(10,771)	(1,029)
Decrease/ (Increase) in debtors	50,254	(202,048)
(Decrease)/ Increase in creditors	(104,220)	375,990
<b>NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES</b>	<b>(3,988)</b>	<b>868,402</b>
<b>INTEREST RECEIVED</b>	<b>10,771</b>	<b>1,029</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>		
Cash placed on short term deposit	(800,000)	-
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(716,872)	(82,621)
Capital funding received from DfE/EFA	738,245	-
<b>NET CASH INFLOW/ (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>21,373</b>	<b>(82,621)</b>

13. ANALYSIS OF CHANGES IN NET FUNDS

	Cash flows		
	2012		2013
	£	£	£
Cash in hand, at bank	786,810	(771,844)	14,966
<b>Total</b>	<b>786,810</b>	<b>(771,844)</b>	<b>14,966</b>

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

14. TANGIBLE ASSETS

	Long leasehold land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost or valuation:				
1 September 2012	21,173,520	124,921	-	21,298,441
Additions	690,703	6,887	19,282	716,872
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2013	21,864,223	131,808	19,282	22,015,313
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1 September 2012	305,598	24,228	-	329,826
Charged in the year	288,360	33,578	-	321,938
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2013	593,958	57,806	-	651,764
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
31 August 2013	21,270,265	74,002	19,282	21,363,549
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2012	20,867,922	100,693	-	20,968,615
	<hr/>	<hr/>	<hr/>	<hr/>

The leasehold land and buildings inherited by the charitable company upon conversion were valued at £21,173,520 on a depreciated replacement costs basis by Solihull Council. The land element of this valuation was £6,755,520.

	2013 £	2012 £
15. DEBTORS		
Amounts falling due within one year:		
Trade debtors	3,455	3,762
Other tax and social security	37,339	135,853
Prepayments and accrued income	111,000	62,433
	<hr/>	<hr/>
	151,794	202,048
	<hr/>	<hr/>

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

		2013	2012
		£	£
16.	CREDITORS		
	Amounts falling due within one year:		
	Trade creditors	37,814	188,619
	Other creditors	6,250	13,835
	Deferred income	36,041	22,008
	Accruals	108,475	65,817
	Other taxation and social security	83,190	85,711
		<u>271,770</u>	<u>375,990</u>
	Deferred income		£
	Deferred income at 1 September 2012		22,008
	Resources deferred in the year		36,041
	Amounts released from previous years		(22,008)
	Deferred income at 31 August 2013		<u>36,041</u>

Deferred income consists of £29,716 (2012: £18,772) received relating to trips occurring in 2013/2014 and £6,325 (2012: £3,236) catering income received.



# Light Hall School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

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### 17. PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Solihull Metropolitan 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 was 31 March 2004 and of the LGPS 31 March 2010.

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

#### **Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), 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' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

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17. PENSION AND SIMILAR OBLIGATIONS (continued)

**Teachers' Pension Scheme (continued)**

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

The pension costs paid to TPS in the year amounted to £357,519 (2012: £385,165).

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

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August was £232,000, of which employer's contributions totalled £177,000 and employees' contribution totalled £55,000. The agreed rates for future years are 17.5% for employers and an average of 6.5% for employees.

**Principal actuarial assumptions**

	2013	2012
	%	%
Rate of increase in salaries	4.15	3.95
Rate of increase for pensions in payment	2.40	2.20
Discount rate	4.50	4.30
Inflation – cpi	2.40	2.20

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

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17. PENSION AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme (continued)**

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

	2013	2012
Retiring today:		
Males	22.1	22.0
Females	24.8	24.7
Retiring in 20 years:		
Males	23.9	23.8
Females	26.7	26.6

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

	Expected return at 31 August 2013	Fair value at 31 August 2013	Expected return at 31 August 2012	Fair value at 31 August 2012
Equities	7.0%	480 (42.4%)	7.0%	439 (54.4%)
Bonds	7.8%	222 (19.6%)	5.9%	154 (19.1%)
Property	5.7%	98 (8.7%)	6.0%	81 (10.1%)
Cash	0.5%	46 (4.1%)	0.5%	13 (1.6%)
Alternative assets	7.0%	285 (25.2%)	7.0%	119 (14.8%)
<b>TOTAL MARKET VALUE OF ASSETS</b>		<b>1,131</b>		<b>806</b>
Present value of scheme liabilities				
- Funded		(2,302)		(1,974)
<b>DEFICIT IN THE SCHEME</b>		<b>(1,171)</b>		<b>(1,168)</b>

The actual return on scheme assets was £95,000 (2012: £45,000)

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the year. The return on bonds is assumed to be the gilt yield and corporate bond yield at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

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17. PENSION AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme (continued)**

<b>Amounts recognised in the statement of financial activities</b>	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	186	159
Past service cost	-	-
	<hr/>	<hr/>
Total operating charge	186	159
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	54	45
Interest on pension liabilities	(90)	(49)
	<hr/>	<hr/>
Pension finance costs	(36)	(4)
	<hr/> <hr/>	<hr/> <hr/>
<b>Movements in the present value of defined benefit obligations were as follows:</b>		
	2013 £'000	2012 £'000
At 1 September	1,974	1,542
Current service cost	186	159
Interest cost	90	94
Employee contributions	55	53
Actuarial loss	-	134
Benefits transferred	(3)	(8)
	<hr/>	<hr/>
At 31 August	2,302	1,974
	<hr/> <hr/>	<hr/> <hr/>
<b>Movements in the fair value of Academy Trust's share of scheme assets:</b>		
At 1 September	806	585
Expected return on assets	54	45
Actuarial gain/ (loss)	42	(20)
Employer contributions	177	151
Employee contributions	55	53
Benefits transferred	(3)	(8)
	<hr/>	<hr/>
At 31 August	1,131	806
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2014 is £150,000 (2013 £151,000).

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

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17. PENSION AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £112,000.

**The experience adjustment summary is as follows:**

	2013 £'000	2012 £'000
Present value of defined benefit obligations	(2,302)	(1,974)
Fair value of share of scheme assets	1,131	806
	<u>          </u>	<u>          </u>
Deficit in the scheme	(1,171)	(1,168)
	<u>          </u>	<u>          </u>
Experience adjustments on share of scheme assets Amount £'000	42	(20)
Experience adjustments on scheme liabilities:	-	(134)

**Light Hall School**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2013

18. THE FUNDS OF THE CHARITY

	Brought forward £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31-Aug-13 £
<b>Restricted fixed assets funds:</b>					
Inherited on conversion	20,893,920	-	-	-	20,893,920
DfE/YPLA capital grants	165,667	738,245	(321,938)	-	581,974
	<u>21,059,587</u>	<u>738,245</u>	<u>(321,938)</u>	<u>-</u>	<u>21,475,894</u>
<b>Restricted general funds:</b>					
Pension reserve	(1,168,000)	-	(45,000)	42,000	(1,171,000)
General Annual Grant	297,313	5,479,462	(5,520,923)	-	255,852
Other DfE/YPLA grants	-	343,113	(343,113)	-	-
	<u>(870,687)</u>	<u>5,822,575</u>	<u>(5,909,036)</u>	<u>42,000</u>	<u>(915,148)</u>
<b>Unrestricted funds</b>					
Inherited on conversion	101,476	-	-	-	101,476
Activities for generating funds	122,078	402,569	(311,130)	-	213,517
Investment income	1,029	10,771	-	-	11,800
	<u>224,583</u>	<u>413,340</u>	<u>(311,130)</u>	<u>-</u>	<u>326,793</u>
<b>Total funds</b>	<u>20,413,483</u>	<u>6,974,160</u>	<u>(6,542,104)</u>	<u>42,000</u>	<u>20,887,539</u>

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The General Annual Grant fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

# Light Hall School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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### 18. THE FUNDS OF THE CHARITY (Continued)

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current GAG, and of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.

The pension reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the school. Transfers are made to the Capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	(112,345)	-	21,475,894	21,363,549
Current assets	439,138	527,622	-	966,760
Current liabilities	-	(271,770)	-	(271,770)
Pension scheme liability	-	(1,171,000)	-	(1,171,000)
	<u>326,793</u>	<u>(915,148)</u>	<u>21,475,894</u>	<u>20,887,539</u>

### 20. MEMBERS' LIABILITY

Light Hall School is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the year of membership, or within one year thereafter.

### 21. CAPITAL COMMITMENTS

At the balance sheet date, the charitable company had no capital commitments.

# Light Hall School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2013

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22. COMMITMENTS UNDER OPERATING LEASES

	2013	2012
	£	£
At 31 August 2013, the charitable company was committed to make the following payments during the next year under non-cancellable operating leases as follows:		
In respect of plant and machinery leases -		
Expiring within one year	4,793	-
expiring within one and two years	3,380	4,793
expiring within two to five years	2,000	5,380
	<u>          </u>	<u>          </u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is considered inevitable that transactions will take place with organisations in which a governor may have an interest. All transactions involving such organisations would, of course, be conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No such transactions have been identified for the year ended 31 August 2013.



## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIGHT HALL SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 August 2013 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Light Hall School during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Light Hall School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Light Hall 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 Light Hall School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Light Hall School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Light Hall School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. 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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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

**BAKER TILLY UK AUDIT LLP**

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date

2013