

WINTON PRIMARY SCHOOL
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



WINTON PRIMARY SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	J Glassborow P Hobby (resigned 3 October 2017) S Tranter (appointed chair of members 3 October 2017) Bournemouth Septenary Trust V Morcombe (appointed 24 April 2017) J Bingham (representing Trustees)
Trustees	J Bingham , Chair of Trustees A Tedder , Vice Chair (resigned 22 March 2017) N Tarchetti, Head Teacher T Watts, Co Vice- Chair (appointed 25 May 2017) D Sears (resigned 1 October 2017) J Kerley (resigned 12 September 2016) R Hucklesby P Gaston S Fisher (resigned 1 February 2016) H Uren, Co Vice- Chair (appointed 25 May 2017) R Scott L Brown M Hames M Long (appointed 24 May 2017) R Taylor (appointed 12 July 2017)
Company registered number	09903139
Company name	Winton Primary School
Principal and registered office	Oswald Road Bournemouth Dorset BH9 2TG
Accounting officer	N Tarchetti
Senior management team	N Tarchetti, Head Teacher K James, Head of School H Brewer, Assistant Head L Houlston, Assistant Head E Lidster, Assistant Head L Marshall, Assistant Head (Maternity cover until 31 August 2017)
Independent auditors	Griffin Chartered Accountants 165 High Street Honiton Devon EX14 1LQ

WINTON PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Bankers	Lloyds Bank PLC 43-47 Old Christchurch Road Bournemouth BH1 1ED
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WINTON PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy operates as a primary school for pupils aged 5 to 11 serving a catchment area in Bournemouth. It has a pupil capacity of 840 and has a roll of 815 in September 2017.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Winton Primary School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as .

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Winton Primary ensures all new trustees have an induction meeting with the Headteacher and Chair of Directors. They are assigned a fellow trustee for their first year in post to provide a supportive colleague to complete the induction process. Ongoing training is provided through our Service Level Agreement with Poole Council and our ability to access Bournemouth Trustee training too.

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The posts of all senior leaders are set in line with School teacher's Pay and Conditions (STPCD) and appropriate to the size and group of the school. The Business Manager salary is determined by the Bournemouth Borough Council BG07 system for determining appropriate recompense for the job description. The Pay Committee reviews these levels and the appraisal of all staff on an annual basis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

f. ORGANISATIONAL STRUCTURE

Winton Primary School is incorporated as a company limited by guarantee with no share capital (registration number 09903139) and is an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors act as the trustees for the charitable activities of Winton Primary School and all governors are directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Winton Primary School.

The Board of Trustees has two sub-committees with delegated powers for monitoring the budget, approving best value and payments which require governor approval. The committees also monitor the school improvement processes, receive staffing reports and play a role in the appointment of permanent teaching staff. Trustee approval is also required for all redundancy procedures. The Headteacher is the accounting officer for Winton Primary School.

The Trustees are responsible for setting the policies and procedures which control the operation of the academy. The day to day running of the academy is delegated to the Senior Leadership. During this period the senior leadership comprised Headteacher, Head of School and three Assistant headteachers. They are responsible for running the academy in line with the policies set by the trustees. Financial responsibility is delegated to the Headteacher and School Business Manager in line with the levels set in the financial handbook. Spending above agreed limits is referred to the Trustees.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Winton Primary School is a member of the Bournemouth Septenary Trust. The Bournemouth Septenary Trust (BST) is an Umbrella Trust that unites seven autonomous academies - medium to large Primary schools in effective collaboration that is focussed on improving the educational provision for the pupils served through the accountability and challenge of Academy performance and financial processes, continuous Academy improvement and raising pupil outcomes, joint professional development bespoke to the priorities of the individual Academies and the securing of financial scale economies through strategically shared staff appointments, shared contracting and procurement based on best-value principles that serve the priorities of the academies within the Umbrella Trust.

Four of the schools in the BST are Community Primary schools and three are Church Primary schools all within the North and Central areas of Bournemouth. The Septenary Trust reflects the full diversity of ethnic, social, economic and deprivation factors found across the Borough of Bournemouth.

The aims of the Trust are to:

- Promote and secure outstanding Academy improvement so that every child in the trust can attend an outstanding Academy as judged by Ofsted in terms of the Academy's outcomes for children and learners, their Early years provision, the quality of teaching learning and assessment, the personal development, behaviour and welfare of learners and the effectiveness of leadership and management.
- Innovate curriculum provision and pedagogy based on research and best practice that will raise achievements for all children and learners.
- Provide professional challenge and accountability in all of the key performance indicators including individual Academy's outcomes for children and learners, their Early Years provision, the quality of teaching learning and assessment, the personal development, behaviour and welfare of learners and the effectiveness of leadership and management.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Bournemouth Septenary Trust is committed to the core values of excellence, equity and effectiveness, promoting high levels of engagement, aspiration, achievement and enterprise across seven schools.

Guiding principles:

1. The success and wellbeing of the children educated within the Bournemouth Septenary Trust.
2. Professional challenge, support and development.
3. Trust between schools in confidentiality, openness and professionalism.
4. Ensuring best value for all the member schools.
5. To focus on raising standards and securing school improvements
6. Through collaboration to develop effective leaders and at all levels.
7. The Trust will seek opportunities for research and development, we aim to be innovative in all areas of school life.

h. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency (ESFA).

Objectives and Activities

a. OBJECTS AND AIMS

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

- a) 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");
- b) to promote for the benefit of the inhabitants of the areas in which the Academy is situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy Trust aims to inspire, motivate and challenge all pupils and ensure they become confident, caring, respected citizens and lifelong learners.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The full detail of what the academy aimed to achieve in 2016-17 is detailed in the School Development Plan for that period. However the main aims were to increase progress and attainment in core subjects across the school. Improve the quality of teaching and learning, the quality of the curriculum and the engagement of all pupils in exciting learning. Finally to restructure the school and how it operates to ensure that a primary school feel is created in a growingly large primary school and make the most effective use of the management structure to meet the needs of all learners.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

c. PUBLIC BENEFIT

Winton Primary School is at the centre of its community and works for the public benefit in keeping with the Charity Commission's guidance on public benefit. It is a primary school within the Borough of Bournemouth and currently is providing free education at this level for over 800 local children.

The school also lets out its premises for use by community groups where this can be accommodated within the requirements of the school.

Achievements and performance

New national curriculum assessments and tests showed the school performed better than other schools nationally and the upward trend in results that has been seen for the last three years continued.

a. KEY PERFORMANCE INDICATORS

This period continues to see the school judged good by Ofsted and achieving results at least in line with national averages and considerably above in many areas. The rise in pupil roll, reducing surplus capacity, has been more significant than ever before during this period. We begin the new academic year with 815 of 840 places occupied. There is a positive trend in reducing surplus spaces over the last 5 years.

The school has a full complement of teaching and support staff and has easily filled any vacancies arising.

Financial review

Most of the academy's income is obtained from the Department for Education (DfE) via the ESFA 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 2017 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 which 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 economic life of the assets concerned, as defined in the academy's accounting policies.

During the 12 months to 31 August 2017, the academy received total income of £3,105,037 and incurred total expenditure of £2,906,804. As at 31 August the funds brought forward were £247,739 unrestricted funds, and £251 of unspent start up grant. The funds carried forward as unspent were £294,735 of unrestricted funds, and £98,135 of unspent GAG. Therefore, there was a surplus in the year of £144,880.

The academy has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the statement of Financial Activity with details in Note 20.

Key financial policies adopted in the year include the Financial Procedures and Scheme of Delegation, which sets out the framework for financial management, including financial responsibilities of the board, headteacher, senior leadership team and other staff, as well as delegated authority for spending. Other policies reviewed and updated where necessary included Reserves Policy, Depreciation Policy and Insurance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

a. 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 Accounting Policies.

b. PRINCIPAL RISKS AND UNCERTAINTIES

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

The academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control. The Academy has introduced a Risk Register that is reviewed by the relevant committee on an ongoing basis.

The principal risks that the organisation faces are highlighted in the risk register and in the planning for the coming year. The academy has managed to put in place a suitable reserve to offset the risk presented by factors beyond the academy's control. This will reduce the risk to the academy from significant unexpected staffing costs or changes in government funding or grants.

c. RESERVES POLICY

It is the School's view that there should be reserves to support it to achieve its planned outcomes for today's children and not to hold reserves unnecessarily. The Governing Body reviews the reserve levels of the Academy annually. The Governing Body requires the Headteacher and Business Manager to work towards a reserve of one month's staffing cost. This, they believe, will give the school a working capital buffer and the ability to make decisions that meet the outcomes for the pupils both in the short term and longer term. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governing Body takes into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governing Body has determined that the appropriate level of free cash reserves should be approximately £200,000. 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 or to maintain staffing levels in the event of a reduction in funding.

The academy's current level of free reserves is £294,735 of unrestricted funds, £98,135 of unspent GAG and other grants.

Plans for future periods

a. FUTURE DEVELOPMENTS

The school's aims and objectives in terms of providing the best educational experience will continue and be at the forefront of all the school does. Its priorities are those set down in the school development plan and focus on helping children to achieve their fullest potential.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

FUNDS HELD AS CUSTODIAN

No funds are held as custodian on behalf of others.

Strategic report

DISCLOSURE OF INFORMATION TO AUDITORS

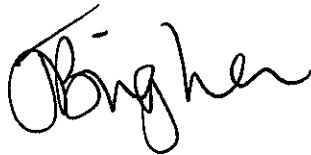
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Griffin, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2017 and signed on its behalf by:



J Bingham
Chair of Trustees

WINTON PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Winton Primary 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 Head Teacher, 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 Winton Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Bingham , Chair of Trustees	6	6
A Tedder , Vice Chair	5	5
N Tarchetti, Head Teacher	7	7
T Watts, Co Vice- Chair	6	7
D Sears	5	7
J Kerley	0	0
R Hucklesby	6	7
P Gaston	7	7
S Fisher	3	3
H Uren, Co Vice- Chair	6	7
R Scott	7	7
L Brown	6	7
M Hames	6	7
M Long	1	1
R Taylor	1	1

Over the last year the Board has decided to make the role of Vice Chairperson a shared role; thus sharing responsibilities and aiding the succession planning and upskilling of Governors.

The Board has actively considered those seeking to become new Governors with a particular emphasis on the skills the individual can add to the collective skills matrix. For example recently a parent governor has been appointed with Strategic Planning and Estate Management skills which it was held complemented the existing skill set of members.

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GOVERNANCE STATEMENT (continued)

The coverage of its work

The range of the school's Governing Board can be summarised in its list of committees -

- School Improvement Committee
- Resources Committee – Finance, Building and Maintenance and Personnel
- Staff Discipline Committee
- Head Teacher Performance Review Panel
- Pupil Discipline Committee
- (Staff) Dismissal Appeals Committee
- Staff Dismissal Committee
- Complaints Committee
- Pay Review Committee

The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board

- The Board is in the process of pursuing Governors Mark status which is a competency framework
- Skills audit
- Succession planning
- Clerking competency framework
- The Board will be commencing a programme of full annual governance reviews of performance from 2018/19 however, at the time of writing the Chair is carrying out one to one performance reviews with each governor to identify best practice and potential actions

Information about the quality of the data used by the board, and why the board finds it acceptable

Data provided to the Board comes from a range of sources and is made available in a digital format accessible to all members.

Since becoming an academy at the beginning of 2016, the school has been using PS Financials software for its financial management and reporting, (supported at an operational level by SBS online to monitor salaries). The school has been supported by external consultants in both the selection and implementation of these packages and as PS Financials is also acknowledged as a well-established management software provider the School was confident that it had purchased an effective accounting, purchasing, budgeting and reporting package. A new version has been released in 2017 and the school intends to continue to improve the reports produced and the range of data provided to the Board.

Pupil data is presented to the board by the school using its tracking and assessment systems. The board ensures that it is able to understand and question this data to ensure that it is useful to the board. The board also purchases an SLA with Bournemouth Borough Council for the provision of pupil data and this ensures that the information is consistent with other local schools and that the school's own data can be cross-referenced against an external provider which helps the board in determining that the data it uses to challenge the school is acceptable. Further credence is obtained by purchasing a service from the Septenary Trust and an external school improvement consultant who carry out review and analysis of data and other school improvement functions and challenge the school providing written reports to the board as a result of this process.

The school attendance data is produced from its Management Information System (MIS). Part of the analysis carried out by the board is the accessibility and usefulness of the data provided and this is fed back to the data officer who amends reports or information provided in line with the feedback from the board. An external Education Social Worker is purchased through an SLA with Bournemouth Borough Council to ensure that the board are receiving information that is reliable and consistent with good practice in the area of attendance.

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GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Provide information and guidance to the Governing Body on all financial matters.
- Prepare and review statements of financial policy in both the short and longer term for the Governing Body's consideration.
- Prepare and present budget options for the Governing Body's consideration and adoption for LA delegated funds, Standards Fund monies, standards Grants and any other income or carry forward sums, taking account of priorities in the school improvement plan.
- Monitor budget spending using information provided by the Head teacher and finance officer, ensuring that spending remains within limits prescribed by the Governing Body.
- Report the financial situation to the Governing Body each term, identifying options and making recommendations.
- Propose for consideration and decision by the Governing Body an appropriate level of delegation to the Head teacher for the day to day financial management of the school
- To consider and authorise virements between budget headings within agreed limits.
- Monitor income and expenditure for all public funds for which the school is responsible, reporting as necessary to the Governing Body.
- Respond appropriately to audit report recommendations on behalf of the Governing Body.
- Ensure all non-public funds are audited and the results presented to the Governing Body.
- Ensure that the principles of best value are applied to services purchased with delegated monies.
- Ensure that the financial administration of the school conforms to the financial regulations and procedures of the EFA and Academies Financial Handbook.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Hucklesby (Chair)	5	6
M Hames	5	6
N Tarchetti	6	6
J Bingham	5	6
D Sears	4	6
P Gaston	4	4
R Scott	2	2

The academy considers annually its governance arrangements to ensure the effectiveness of the board of trustees. The review includes consideration of the composition of the board, membership of committees and their terms of reference. It also looks to identify any skill gaps where the recruitment of new trustees would be beneficial.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

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GOVERNANCE STATEMENT (continued)

The staff at Winton Primary are committed to achieving the best value for money in all activities wherever practicable. Examples include;

1. The academy continues to host an after school / breakfast club / holiday club which provides a valuable community resource for the use of parents of children at the school and elsewhere. This allows a wider range of parents to be able to place their children at the school. Not only is a saving made in the provision of the facility as it comes at no cost, being independently run, but as a nominal rental is charged by the school it is also income generating.
2. Consortium purchasing and network agreements – the school benefits from purchasing much of its stationery and resources through a south west based consortium and achieving a minimum 4% reduction on advertised prices. The school has also utilised the network arrangement operated by the Crescent Purchasing Consortium to obtain initial free advice and to tender and contract its RPA+ insurance requirements.
3. The school retains the services of Zenergi, an energy broker to act on its behalf in the tendering, procurement and contract management in respect of its electricity and gas supplies. It is difficult following Brexit to be entirely confident of how energy markets will evolve, but in using an energy professional approved by the NASBM, LASBM and ASCL it is hoped that the school can negotiate the best possible deals.

Future focus of achieving value for money

The school continues to seek out new opportunities to make its funding go further. For example –

1. Achieving greater savings through the buying power of the Bournemouth Septenary Trust of which the school is a member. In harnessing the combined group of seven schools should be able to achieve continuing savings. Examples are ongoing in respect of achieving substantial reductions in its HR/Payroll contract with Bournemouth Borough Council and for PS Financials financial software package and training.
2. Obtaining grant funding from sources such as the Big Lottery Fund / Awards for All and Tesco Bags of Help to provide additional facilities to reinforce the curriculum and extra-curricular activities that would not otherwise have been possible
3. With overnight and ongoing financial investment (savings) products through its banking provider.
4. It is hoped that as the water market evolves, our brokers, Zenergi will monitor to obtain the best deals for the school

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 Winton Primary School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

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 year 1 September 2016 to 31 August 2017 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 Resources 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 not to appoint an internal auditor. However, the Trustees have appointed Griffin, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Purchase and cash receipts
- Payroll
- Income and cash receipts
- Fixed assets - acquisition and disposal
- Financial budgeting and monitoring
- Regularity
- Governance
- Risk management

On a semi-annual basis, the auditors report to the board of trustees through the Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor delivered their schedule of work as intended and a plan is in place to address weaknesses and ensure continuous improvement.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 6 December 2017 and signed on their behalf, by:



J Bingham
Chair of Trustees



N Tarchetti
Accounting Officer


WINTON PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Winton Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 ESFA.



N Tarchetti
Accounting Officer

6/12/17

WINTON PRIMARY SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Winton Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills 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:

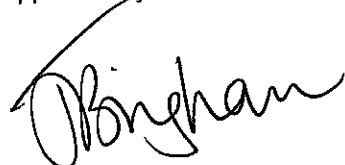
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 6 December 2017 and signed on its behalf by:



J Bingham
Chair of Trustees

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WINTON
PRIMARY SCHOOL**

OPINION

We have audited the financial statements of Winton Primary School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WINTON
PRIMARY SCHOOL**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WINTON
PRIMARY SCHOOL**

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

Griffin

Chartered Accountants

165 High Street

Honiton

Devon

EX14 1LQ

Date: 07/12/17

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WINTON
PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 January 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Winton Primary School during the year 1 September 2016 to 31 August 2017 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 Winton Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Winton Primary School and the ESFA 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 Winton Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WINTON PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Winton Primary School's funding agreement with the Secretary of State for Education dated 1 February 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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.

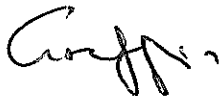
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WINTON
PRIMARY SCHOOL AND THE EDUCATION AND SKILLS 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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA

Griffin

Chartered Accountants

165 High Street
Honiton
Devon
EX14 1LQ

Date: 07/12/17

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

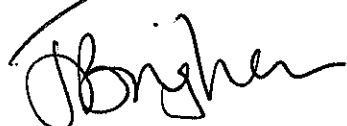
	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations & capital grants:					
Transfer from local authority on conversion	2	-	-	-	7,728,197
Other donations and capital grants	2	35,057	22,393	57,450	14,080
Charitable activities	3	21,795	3,001,389	3,023,184	1,635,601
Other trading activities	4	24,076	-	24,076	16,180
Investments	5	327	-	327	-
TOTAL INCOME	81,255	3,001,389	22,393	3,105,037	9,394,058
EXPENDITURE ON:					
Raising funds	34,229	-	-	34,229	10,957
Charitable activities	30	3,032,545	188,785	3,221,360	1,856,994
TOTAL EXPENDITURE	6 34,259	3,032,545	188,785	3,255,589	1,867,951
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	16	46,996	(31,156)	(166,392)	7,526,107
		-	(30,960)	30,960	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		46,996	(62,116)	(135,432)	7,526,107
Actuarial gains/(losses) on defined benefit pension schemes	20	-	187,000	-	(410,000)
NET MOVEMENT IN FUNDS		46,996	124,884	(135,432)	7,116,107
RECONCILIATION OF FUNDS:					
Total funds brought forward		247,739	(855,749)	7,724,117	7,116,107
TOTAL FUNDS CARRIED FORWARD		294,735	(730,865)	7,588,685	7,116,107

WINTON PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09903139

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		7,578,685		7,724,117
CURRENT ASSETS					
Debtors	14	71,925		78,270	
Cash at bank and in hand		492,612		330,568	
		<u>564,537</u>		<u>408,838</u>	
CREDITORS: amounts falling due within one year	15	<u>(161,667)</u>		<u>(160,848)</u>	
NET CURRENT ASSETS			<u>402,870</u>		<u>247,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		7,981,555		7,972,107
			<u>(829,000)</u>		<u>(856,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>7,152,555</u>		<u>7,116,107</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	98,135		251	
Restricted fixed asset funds	16	7,588,685		7,724,117	
Restricted income funds excluding pension liability		7,686,820		7,724,368	
Pension reserve		<u>(829,000)</u>		<u>(856,000)</u>	
Total restricted income funds			6,857,820		6,868,368
Unrestricted income funds	16		<u>294,735</u>		<u>247,739</u>
TOTAL FUNDS			<u>7,152,555</u>		<u>7,116,107</u>

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



J Bingham
Chair of Trustees

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>182,677</u>	<u>89,035</u>
Cash flows from investing activities:			
Interest from investments		327	-
Purchase of tangible fixed assets		(43,353)	(31,602)
Capital grants from DfE/ESFA		<u>22,393</u>	<u>11,864</u>
Net cash used in investing activities		<u>(20,633)</u>	<u>(19,738)</u>
Transferred on conversion to an academy:			
Cash transferred on conversion		-	<u>261,271</u>
Net cash provided by financing activities		<u>-</u>	<u>261,271</u>
Change in cash and cash equivalents in the year		162,044	330,568
Cash and cash equivalents brought forward		<u>330,568</u>	<u>-</u>
Cash and cash equivalents carried forward	19	<u><u>492,612</u></u>	<u><u>330,568</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Winton Primary School constitutes a public benefit entity as defined by FRS 102.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	-	125 years straight line
Long-term leasehold property	-	50 years straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line

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

1.7 Operating leases

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 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.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

WINTON PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Transfer from local authority on conversion	-	-	-	-	7,728,197
Other donations	35,057	-	-	35,057	2,216
Capital Grants	-	-	22,393	22,393	11,864
Subtotal	35,057	-	22,393	57,450	14,080
	35,057	-	22,393	57,450	7,742,277
<i>Total 2016</i>	263,487	(404,000)	7,882,790	7,742,277	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	2,471,420	2,471,420	1,379,077
Start Up Grants	-	-	-	25,000
Other DfE/ESFA Grants	-	124,019	124,019	48,227
Pupil Premium	-	277,207	277,207	111,145
	<u>-</u>	<u>2,872,646</u>	<u>2,872,646</u>	<u>1,563,449</u>
Other government grants				
Special Educational Needs	-	44,441	44,441	29,939
Other Local authority grants	-	79,302	79,302	34,213
	<u>-</u>	<u>123,743</u>	<u>123,743</u>	<u>64,152</u>
Other funding				
Other income from the academy trust's educational operations	21,795	-	21,795	-
Other grants	-	5,000	5,000	8,000
	<u>21,795</u>	<u>5,000</u>	<u>26,795</u>	<u>8,000</u>
	<u>21,795</u>	<u>3,001,389</u>	<u>3,023,184</u>	<u>1,635,601</u>
<i>Total 2016</i>	<u>-</u>	<u>1,635,601</u>	<u>1,635,601</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	9,837	-	9,837	5,890
Other	14,239	-	14,239	10,290
	<u>24,076</u>	<u>-</u>	<u>24,076</u>	<u>16,180</u>
<i>Total 2016</i>	<u>16,180</u>	<u>-</u>	<u>16,180</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Investment income	<u>327</u>	<u>-</u>	<u>327</u>	<u>-</u>

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Expenditure on raising voluntary income	-	-	33,869	33,869	9,257
Expenditure on fundraising trading	-	-	360	360	1,700
Education:					
Direct costs	2,163,031	128,649	157,141	2,448,821	1,419,365
Support costs	420,396	103,216	248,927	772,539	437,629
	<u>2,583,427</u>	<u>231,865</u>	<u>440,297</u>	<u>3,255,589</u>	<u>1,867,951</u>
<i>Total 2016</i>	<u>1,405,992</u>	<u>69,237</u>	<u>392,722</u>	<u>1,867,951</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. CHARITABLE ACTIVITIES

	Total funds 2017 £	<i>Total funds 2016 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,725,143	957,605
National insurance	149,718	72,698
Pension cost	265,953	158,578
Depreciation	167,283	156,696
Educational supplies	58,826	40,887
Staff development	12,731	3,275
Other costs	29,365	7,073
Supply teachers	22,217	19,352
Recruitment and other staff costs	1,650	2,388
Technology costs	15,935	813
	<u>2,448,821</u>	<u>1,419,365</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	234,824	138,847
National insurance	11,329	6,473
Pension cost	174,243	52,439
Depreciation	21,502	21,715
Pension income	18,000	9,000
Other costs	509	794
Maintenance of premises and equipment	27,507	14,583
Cleaning	16,555	6,091
Rent and rates	24,016	14,825
Heat and light	18,543	16,060
Insurance	14,970	10,621
Security and transport	1,608	2,692
Catering	124,570	50,009
Technology costs	15,246	17,367
Office overheads	37,655	17,202
Legal and professional	25,077	46,655
Bank interest and charges	94	-
Governance costs	6,291	12,256
	<u>772,539</u>	<u>437,629</u>
	<u><u>3,221,360</u></u>	<u><u>1,856,994</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the academy	188,785	178,411
Auditors' remuneration - audit	2,800	2,800
Auditors' remuneration - other services	2,951	1,800
Operating lease rentals	16,977	8,329
	<u>16,977</u>	<u>8,329</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,959,967	1,096,452
Social security costs	161,047	79,171
Operating costs of defined benefit pension schemes	440,196	211,017
	<u>2,561,210</u>	<u>1,386,640</u>
Supply teacher costs	22,217	19,352
	<u>2,583,427</u>	<u>1,405,992</u>

The average number of persons employed by the academy during the year was as follows:

	2017 No.	2016 No.
Teachers	70	75
Administration and support	29	28
Management	6	6
	<u>105</u>	<u>109</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	60	64
Administration and support	14	14
Management	6	6
	<u>80</u>	<u>84</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	0
In the band £80,001 - £90,000	1	0

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £340,977 (2016: £213,550). The comparative period for 2016 represents a short period of 7 months.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
N Tarchetti	Remuneration	80,000-85,000	45,000-50,000
	Pension contributions paid	15,000-20,000	5,000-10,000
L Brown	Remuneration	40,000-45,000	20,000-25,000
	Pension contributions paid	5,000-10,000	0-5,000
J Kerley	Remuneration	0-5,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to no Trustees). The comparative period for 2016 represents a short period of 7 months.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency.

12. OTHER FINANCE INCOME

	2017	2016
	£	£
Interest income on pension scheme assets	11,000	8,000
Interest on pension scheme liabilities	(29,000)	(17,000)
	<u>(18,000)</u>	<u>(9,000)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	7,810,000	21,499	71,029	7,902,528
Additions	-	25,065	18,288	43,353
Disposals	-	(248)	(186)	(434)
At 31 August 2017	<u>7,810,000</u>	<u>46,316</u>	<u>89,131</u>	<u>7,945,447</u>
Depreciation				
At 1 September 2016	145,244	4,180	28,987	178,411
Charge for the year	145,244	9,069	34,255	188,568
On disposals	-	(124)	(93)	(217)
At 31 August 2017	<u>290,488</u>	<u>13,125</u>	<u>63,149</u>	<u>366,762</u>
Net book value				
At 31 August 2017	<u>7,519,512</u>	<u>33,191</u>	<u>25,982</u>	<u>7,578,685</u>
At 31 August 2016	<u>7,664,756</u>	<u>17,319</u>	<u>42,042</u>	<u>7,724,117</u>

14. DEBTORS

	2017 £	2016 £
Trade debtors	4,652	6,706
VAT recoverable	8,041	21,532
Other debtors	-	4,661
Prepayments and accrued income	59,232	45,371
	<u>71,925</u>	<u>78,270</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	10,021	25,873
Other taxation and social security	43,694	34,411
Other creditors	38,451	34,958
Accruals and deferred income	69,501	65,606
	<u>161,667</u>	<u>160,848</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. CREDITORS: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	59,578	-
Resources deferred during the year	56,210	59,578
Amounts released from previous years	(59,578)	-
	56,210	59,578
Deferred income at 31 August 2017	56,210	59,578

At the balance sheet date the academy was holding funds received in advance of the 2017/18 financial year.

16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	247,739	81,255	(34,259)	-	-	294,735
	247,739	81,255	(34,259)	-	-	294,735
Restricted funds						
General Annual Grant (GAG)	-	2,471,420	(2,343,575)	(30,960)	-	96,885
Start Up Grant	251	-	(251)	-	-	-
Pupil Premium	-	277,207	(277,207)	-	-	-
Special educational needs funding	-	44,441	(44,441)	-	-	-
Other grants	-	208,321	(207,071)	-	-	1,250
Pension reserve	(856,000)	-	(160,000)	-	187,000	(829,000)
	(855,749)	3,001,389	(3,032,545)	(30,960)	187,000	(730,865)
Restricted fixed asset funds						
Transfer on conversion	7,701,331	-	(165,812)	-	-	7,535,519
DfE/EFA capital grants	9,627	12,393	(4,715)	-	-	17,305
Capital expenditure from GAG	13,159	-	(18,258)	30,960	-	25,861
National Lottery grant	-	10,000	-	-	-	10,000
	7,724,117	22,393	(188,785)	30,960	-	7,588,685
Total restricted funds	6,868,368	3,023,782	(3,221,330)	-	187,000	6,857,820
Total of funds	7,116,107	3,105,037	(3,255,589)	-	187,000	7,152,555

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 4 December 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
General Funds	-	279,667	(31,928)	-	-	247,739
	<u>-</u>	<u>279,667</u>	<u>(31,928)</u>	<u>-</u>	<u>-</u>	<u>247,739</u>
Restricted funds						
General Annual Grant (GAG)	-	1,388,304	(1,368,566)	(19,738)	-	-
Start Up Grant	-	25,000	(24,749)	-	-	251
Pupil Premium	-	111,145	(111,145)	-	-	-
Special educational needs funding	-	29,939	(29,939)	-	-	-
Other grants	-	81,213	(81,213)	-	-	-
Pension reserve	-	(404,000)	(42,000)	-	(410,000)	(856,000)
	<u>-</u>	<u>1,231,601</u>	<u>(1,657,612)</u>	<u>(19,738)</u>	<u>(410,000)</u>	<u>(855,749)</u>
Restricted fixed asset funds						
Transfer on conversion	-	7,870,926	(169,595)	-	-	7,701,331
DfE/EFA capital grants	-	11,864	(2,237)	-	-	9,627
Capital expenditure from GAG	-	-	(6,579)	19,738	-	13,159
	<u>-</u>	<u>7,882,790</u>	<u>(178,411)</u>	<u>19,738</u>	<u>-</u>	<u>7,724,117</u>
Total restricted funds	<u>-</u>	<u>9,114,391</u>	<u>(1,836,023)</u>	<u>-</u>	<u>(410,000)</u>	<u>6,868,368</u>
Total of funds	<u>-</u>	<u>9,394,058</u>	<u>(1,867,951)</u>	<u>-</u>	<u>(410,000)</u>	<u>7,116,107</u>

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Higher Needs funding

Income received from the Local Authority to fund further support for pupils with additional needs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

Other revenue grants include:

Universal Infant Free School Meals income provided by the ESFA to fund a free school meal to every pupil in reception and years 1 and 2.

Growth Funding income received from the Local Authority, to support schools that provide additional school places in order to meet basic need within the authority.

Foyle Foundation grant, provided for the purchase of educational books.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

DfE/ESFA capital grants

Devolved Formula Capital funding from the ESFA to cover the maintenance and purchase of the academy's assets.

Big Lottery fund grant

Grant from the Big Lottery Fund for capital equipment to be purchased by the school.

Capital Expenditure from GAG

This represents funds transferred from the restricted GAG fund to purchase fixed 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 2017.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	7,578,685	7,578,685
Current assets	456,402	98,135	10,000	564,537
Creditors due within one year	(161,667)	-	-	(161,667)
Provisions for liabilities and charges	-	(829,000)	-	(829,000)
	294,735	(730,865)	7,588,685	7,152,555
	294,735	(730,865)	7,588,685	7,152,555

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	7,724,117	7,724,117
Current assets	406,587	2,251	-	408,838
Creditors due within one year	(158,848)	(2,000)	-	(160,848)
Provisions for liabilities and charges	-	(856,000)	-	(856,000)
	<u>247,739</u>	<u>(855,749)</u>	<u>7,724,117</u>	<u>7,116,107</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(150,552)	7,526,107
Adjustment for:		
Depreciation charges	188,568	178,411
Interest from investments	(327)	-
Loss on the sale of fixed assets	217	-
Decrease/(increase) in debtors	6,345	(78,270)
Increase in creditors	819	160,848
Capital grants from DfE and other capital income	(22,393)	(11,864)
Defined benefit pension scheme obligation inherited	-	404,000
Defined benefit pension scheme cost less contributions payable	18,000	33,000
Fixed assets transferred from the local authority on conversion	142,000	9,000
Net (loss) on assets and liabilities from local authority on conversion	-	(7,870,926)
Cash transferred on conversion	-	(261,271)
Net cash provided by operating activities	<u>182,677</u>	<u>89,035</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash in hand	492,612	330,568
Total	<u>492,612</u>	<u>330,568</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. 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 Dorset County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £38,451 were payable to the schemes at 31 August 2017 (2016 - 34,949) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £187,583 (2016 - £115,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £146,000 (2016 - £84,000), of which employer's contributions totalled £111,000 (2016 - £63,000) and employees' contributions totalled £35,000 (2016 - £21,000). The agreed contribution rates for future years are 17.4% for employers and 5.5-6.8% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	3.80 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	23.9	22.9
Females	26.0	25.3
Retiring in 20 years		
Males	26.2	25.2
Females	28.3	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	1,328,000	1,258,000
Discount rate -0.1%	1,401,000	1,332,000
Mortality assumption - 1 year increase	1,410,000	1,327,000
Mortality assumption - 1 year decrease	1,319,000	1,262,000
CPI rate +0.1%	1,396,000	1,325,000
CPI rate -0.1%	1,332,000	1,264,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	295,000	252,000
Gilts	165,000	125,000
Corporate bonds	61,000	56,000
Cash and other liquid assets	14,000	5,000
	<u>535,000</u>	<u>438,000</u>

The actual return on scheme assets was £69,000 (2016 - £36,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	<i>2016 £</i>
Current service cost	(253,000)	(96,000)
Interest income	11,000	8,000
Interest cost	(29,000)	(17,000)
	<u>(271,000)</u>	<u>(105,000)</u>
Actual return on scheme assets	<u>69,000</u>	<u>36,000</u>

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	1,294,000	-
Transferred in on existing academies joining the trust	-	714,000
Current service cost	253,000	96,000
Interest cost	29,000	17,000
Employee contributions	35,000	21,000
Actuarial (gains)/losses	(217,000)	446,000
Benefits paid	(30,000)	-
	<u>1,364,000</u>	<u>1,294,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	438,000	-
Upon conversion	-	310,000
Interest income	11,000	8,000
Actuarial gains/(losses)	(30,000)	36,000
Employer contributions	111,000	63,000
Employee contributions	35,000	21,000
Benefits paid	(30,000)	-
	535,000	438,000
	535,000	438,000

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	16,659	16,659
Between 1 and 5 years	16,659	33,318
	33,318	49,977
	33,318	49,977

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.