

**BODRIGGY ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Company Registration No. 07548794 England and Wales**

THURSDAY



A25 \*A7L6P60Z\* #301  
20/12/2018  
COMPANIES HOUSE

# **BODRIGGY ACADEMY**

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# BODRIGGY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

CA Eustace  
DA Parker  
L Hames

### Trustees

JE Davis (Appointed 1 September 2017 and resigned 31 August 2018)  
CA Eustace (Resigned 31 March 2018)  
DA Parker (Resigned 31 August 2018)  
KJ Quinn  
E Tredinnick  
MC Geyman  
CM Sleeman  
L Hames  
SJ Rotman  
SM May  
C Hannaford (Accounting Officer)  
A Martin (Appointed 1 March 2018)  
P Graham (Appointed 1 March 2018)

### Senior management team

- Headteacher	C Hannaford
- Deputy headteacher	E Evison
- Senior teacher	KJ Quinn
- Senior teacher	E Richings
- Senior teacher	T Cocks

### Company registration number

07548794 (England and Wales)

### Principal address

Humphry Davy Lane  
HAYLE  
Cornwall  
TR27 4DR

### Registered office

Humphry Davy Lane  
HAYLE  
Cornwall  
TR27 4DR

### Independent auditor

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

# **BODRIGGY ACADEMY**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Bankers**

Lloyds Bank Plc  
3 Foundry Square  
HAYLE  
Cornwall  
TR27 4HJ

### **Solicitors**

Michelmores LLP  
Woodwater House  
Pynes Hill  
EXETER  
Devon  
EX2 5WR

# **BODRIGGY ACADEMY**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2018***

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates an academy for pupils aged 3 to 11 serving a catchment area in Hayle, Cornwall. It has a pupil capacity of 294 and had a roll of 313 in the school census in October 2018.

#### **Structure, governance and management**

##### Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Bodriggy Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

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

##### Method of recruitment and appointment or election of trustees

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

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

- up to 8 trustees who are appointed by members;
- 1 LA trustee who is appointed by the Local Authority;
- a minimum of 2 parent trustees who are elected by parents of registered pupils at the academy;
- any staff trustees appointed by the governing body;
- up to 3 co-opted trustees who are appointed by the governing body;
- the headteacher who is treated for all purposes as being an ex officio trustee.

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

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

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

All new trustees receive an induction and the Headteacher provides guidance to assist them in taking on new responsibilities. Trustees are required to attend the new trustee training course provided by Cornwall Council.

# BODRIGGY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

### Organisational structure

Bodriggy Academy has followed the organisational structure laid down in the Articles of Association that were registered with Companies House on 1 April 2011. The previous governing body transferred across intact, to become the new board of directors when the conversion took place and their existing terms of office continued.

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

The Leadership and Management committee also meets regularly throughout the year.

The responsibilities of the finance and general purposes committee are carried out by the Leadership and Management committee.

### **Bodriggy Decision Making Process:-**

<b>Budget Information</b>	<b>Board of Trustees (Full Governing Body -FGB)</b>	<b>Delegated to Finance</b>	<b>Delegated to the Senior Management Team (SMT)</b>
<b>Approve Budget</b>	The annual budget is approved by the Trustees at the FGB	The Leadership and Management committee will discuss the annual budget in detail	The SMT will be made aware of budget issues and any significant variances.
<b>Monitor Monthly Expenditure</b>	The FGB are made aware of budget issues.	Monthly statement emailed or discussed at Governors meeting.	
<b>Scheme of Delegation</b>	Any significant changes to the Schemed of Delegation will be noted at the FGB.	Approved annually at Finance Governors.	

The Board of Trustees meets at least once each term. The Board establishes an overall framework for the governance of the Academy. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 Governor groups as follows:

#### **Leadership and Management group**

- meets at least once a term and is responsible for;
- reviewing financial management in compliance with reporting and regulatory requirements;
- receiving and reviewing reports from the Responsible Officer;
- approve the annual budget including staffing levels;
- review capital procurement;
- monitoring Health and Safety compliance within the Academy.

# BODRIGGY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### Organisational structure

##### Teaching and Learning Group

- To monitor progress in all areas of the curriculum;
- To review the quality of provision in the Early Years;
- To review the impact of pupil involvement in school i.e. School Council;
- In collaboration with staff review how the curriculum is taught, evaluated and resourced;
- To review PHSCE and pupil well being;
- To review provision for Cared for Children;
- To review Collective Worship and Sex and Relationship Education;
- To ensure that the requirements of children with special needs and disability are met; and
- To review attendance and behavior.

##### Teaching and Learning and Leadership and Management Groups

The committees shall have absolute discretion in the following:

- To provide support to the Head-teacher in all matters relating to Safeguarding the school premises and grounds;
- To ensure the school fulfils its role in relation to Child Protection issues and has the required procedures in place;
- To ensure that the school follows Safe Recruitment practices and has a formal induction programme for all new staff members;
- To oversee the operation of the school's Behaviour Policy and oversee the use of Exclusions and their effectiveness;
- To receive and review the annual Safeguarding and Health & Safety reports;
- Monitor the effectiveness of the school's Health & Safety arrangements.

#### Arrangements for setting pay and remuneration of key management personnel

Staffing	FGB	Finance	SMT
Headteacher Appointment	Committee set up by FGB		
Teacher Appointment	Discussed at FGB	Made aware	SMT appoint.
Non Teaching Staff	Discussed at FGB	Made aware	SMT appoint.
Agree Pay Policy		Approved at Finance	
Dismissal of Staff	Committee established via FGB		
Headteachers Remuneration		Approved at finance, subject to satisfactory performance management	
Teacher Increments		Approved at finance	SMT will award subject to satisfactory performance management.

#### Related parties and other connected charities and organisations

No connected organisations at 31 August 2018.

# **BODRIGGY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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Related party relationships are detailed in Note 22 to the accounts.

#### **Objectives and activities**

##### Objects and aims

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

##### Objectives, strategies and activities

The aims of the Academy during the year ended 31 August 2018 are summarised below:

- to continue to raise the standard of educational attainment and achievement of pupils
- provide a broad and balanced curriculum, including extracurricular activities;
- to develop students as more effective learners;
- to develop the Academy so that it enables pupils to achieve their full potential both academically and non academically;
- to ensure that every child enjoys the same high quality education ;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the standards of integrity, probity and openness; and
- to plan for the growth and extension of Bodriggy Academy to serve the needs of the community of Hayle.

##### Public benefit

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



# **BODRIGGY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Strategic report**

#### **Achievements and performance**

At Bodriggy, pupils start at a variety of abilities with a higher than national average being below expected 'on entry' levels when they commence the Foundation stage. Bodriggy strives to ensure that all pupils reach their full potential and reach a good standard in English and Mathematics by the end of Year 6. Pupils are encouraged to work together and show levels of respect for each other and towards the adults who work in their school. Pupils are expected to be polite, show manners and make the school a very inviting and safe place where all are welcome.

#### **Curriculum**

Children are taught a broad and balanced curriculum, based on the National Curriculum. The school promotes pupils' spiritual, moral, social and cultural development well. Pupils enjoy a wide variety of activities. Staff and pupils express pride in the school's very caring ethos.

Our Foundation stage works closely with our Nursery, and pre-school providers, to ensure continuity and a good transition into the main part of the school. The Early Years staff work hard to engage parents and works closely to move the children's learning forward with their help and support.

Currently, our Key Stage 1 classes focus on delivering the National Curriculum in a fun and engaging way. Morning sessions include well-planned phonics sessions, whilst English lessons see a focus on reading, writing and grammar techniques. Maths sessions are delivered using a range of well differentiated activities to meet all pupils' learning needs with most children taught in age, rather than mixed age classes.

Our Key Stage 2 children are mixed age class groups, having moved away from 'setting' by ability in 2017. High quality learning is enjoyed by all pupils, with teachers being able to consolidate core skills across the curriculum.

#### **Attainment and Progress**

Teachers motivate pupils through well planned and stimulating activities and ensure children enjoy school. Pupils work together in lessons in a mature and sensible manner. They have an understanding of how to keep themselves focused. Staff are constantly pushing for further improvement, through monitoring the quality of teaching and pupil outcomes.

#### **Key Stage 1**

Working at the expected standard or above:

Reading 54%

Writing 42%

Mathematics 47%

#### **Key Stage 2**

Working at the expected standard, or above:

Reading 47%

Writing 42%

Spelling, punctuation and grammar 54%

Mathematics 44%

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# **BODRIGGY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Bodriggy and the community**

Pupils have many opportunities to take on responsibilities and serve their community. Over the last 12 months, Bodriggy pupils have attended numerous community services, civic parades and community events. The schools choir, dance group and head boy and girl have represented the school brilliantly at several events as well.

We continue to invest in our student welfare. Bodriggy Academy is one of the first schools in Cornwall to have the benefit of Thrive Practitioners and a Thrive trainer on staff. Thrive ensures the stability of the emotional wellbeing of pupils.

#### **Going concern**

The company ceased to operate on 01/09/2018 when the assets, liabilities and activities were transferred to Truro & Penwith Academy Trust.

#### **Financial review**

The academy's accounting period is the year to 31 August 2018.

Most of the academy's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2018 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

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

#### **Reserves policy**

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

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

The trustees consider the financial year end position of £2,154,043 (2017: £2,089,140) comprising £2,595,042 (2017: £2,653,996) of restricted fixed asset funds, £(727,000) (2017: £(847,000)) of restricted funds and £286,001 (2017: £282,144) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(727,000) (2017: £(847,000)) and general restricted funds of £Nil (2017: £Nil).

The level of free reserves held by the academy are £286,001 (2017: £282,144).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £23,500 in addition to normal funding levels, over a period of 2 years, in order to bridge the scheme deficit.

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

#### **Investment policy**

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

# BODRIGGY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Principal risks and uncertainties

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

The governing body ensure regular review of risks through the reporting provided by the management team to the aforementioned governing body.

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

### **Fundraising**

Bodriggy Academy are supported with a Bodriggy Parent Support group. Over the last twelve months the group has raised £2,000. The PTA has a committee and the accounts are audited independently. Risk assessments, DBS and insurance checks are undertaken as required.

### **Plans for future periods**

Bodriggy Academy will continue to ensure that all children are valued and have the highest quality education possible.

The school also recognises that increasingly, children have a need to develop their emotional wellbeing and resilience, as such the whole school will be developing emotional wellbeing of its pupils. The learning environment will be enhanced with a real focus on developing our 'Outdoor Classroom' and increasing its use in a variety of subjects. Bodriggy will be focusing on pupil outcomes and progressing during 2018/19.

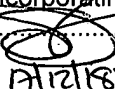
From 1 September 2018 Bodriggy Academy has transferred into Truro & Penwith Academy Trust.

### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



..... S Rotman

Chair

# BODRIGGY ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Bodriggy Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bodriggy Academy 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
JE Davis (Appointed 1 September 2017 and resigned 31 August 2018)	6	6
CA Eustace (Resigned 31 March 2018)	0	4
DA Parker (Resigned 31 August 2018)	3	4
KJ Quinn	6	6
E Tredinnick	6	6
MC Geyman	4	6
CM Sleeman	3	6
L Hames	5	6
SJ Rotman	6	6
SM May	6	6
C Hannaford (Accounting Officer)	6	6
A Martin (Appointed 1 March 2018)	3	3
P Graham (Appointed 1 March 2018)	0	3

In the year 2017/18 the board were chaired by an experienced interim chair to see Bodriggy through the induction of a new head. A new governors model was introduced in September 2017 with the formation of two groups:-

Teaching and Learning and Leadership and Management. The groups comprised of governors with the appropriate skills set. In November 2017 two new Governors started with in depth experience in education.

A data consultant led data training in November 2017 offering support and guidance on relevant data to be shared with staff and governors. The Headteachers report summarises progress in learning termly and an external data consultant provides an annual summary.

The RSC Education Advisor visited Bodriggy in November 2017 and February 2018 and reported positively about the progress made in governance. In the Summer of 2018 the Governors voted to join a M.A.T. enhancing support, guidance and evaluation for Governance in the future.

# BODRIGGY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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

- Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity and to provide support and guidance for all matters relating to the school premises, grounds, security and health and safety.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- Major issues will be referred to the full governing body for ratification, unless otherwise delegated.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
CA Eustace (Resigned 31 March 2018)	0	4
DA Parker (Resigned 31 August 2018)	2	3
MC Geyman	4	4
SJ Rotman	3	4
C Hannaford (Accounting Officer)	4	4
A Martin (Appointed 1 March 2018)	4	4

#### Review of value for money

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

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

- Raising student attainment - The academy is highly inclusive and we have high expectations of progress for all our students.
- Initiatives - 'Thrive Training', Bodriggy has taken the initiative to train our Child Welfare Officer as a trainer and two further members of staff to practitioner level. All staff have received training on 'Thrive'. Thrive helps staff to understand the emotional wellbeing of children and develop stability and resilience where there may have previously been gaps.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bodriggy Academy for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# BODRIGGY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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 continued to maintain the services of the LFS Team as responsible officer (RO).

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

On a quarterly basis, the RO reports to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

No significant issues were identified by the RO.

### Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


- the work of the responsible officer;
- the work of the external auditor;
- the 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 finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14.12.18 and signed on its behalf by:

C Hannaford

C Hannaford  
Accounting Officer

 17/12/18.  
S. Roman  
Chair

# **BODRIGGY ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018**

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As accounting officer of Bodriggy Academy I have considered my responsibility to notify the academy board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

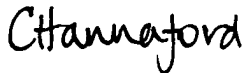
I confirm that I and the academy's board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2017.

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.

### **Financial issue**

During the year the academy paid the Chair of Governors £3,000 for his services as Chair of Governors. This was not completed at cost and prior approval from the ESFA had not been obtained. The ESFA has since been informed of this transaction.

Approved on 14.12.18 and signed by:



C Hannaford  
Accounting Officer

# **BODRIGGY ACADEMY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of Bodriggy Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

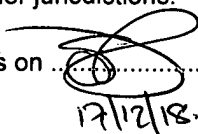
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 accounts may differ from legislation in other jurisdictions.

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



17/12/18.

S Rotman

Chair



# **BODRIGGY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BODRIGGY ACADEMY FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinion**

We have audited the accounts of Bodriggy Academy for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### **Basis for 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 accounts' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# **BODRIGGY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BODRIGGY ACADEMY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### **Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the 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 incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **BODRIGGY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BODRIGGY ACADEMY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Use of our report**

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

*Robinson Reed Layton LLP*

**Mark Williams (Senior Statutory Auditor)  
for and on behalf of Robinson Reed Layton LLP**

18 December 2018

**Chartered Accountants  
Statutory Auditor**

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

# **BODRIGGY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BODRIGGY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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In accordance with the terms of our engagement letter dated 20 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bodriggy Academy during the period 1 September 2017 to 31 August 2018 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 Bodriggy Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bodriggy Academy and 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 Bodriggy Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Bodriggy Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bodriggy Academy's funding agreement with the Secretary of State for Education dated 24 March 2010 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by 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.

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

# **BODRIGGY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BODRIGGY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Conclusion**

In the course of our work, except for the matter below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year the academy paid the Chair of Governors £3,000 for his services as Chair of Governors. This was not completed at cost and prior approval from the ESFA had not been obtained. The ESFA has since been informed.

*Robinson Reed Layton LLP*

### **Reporting Accountant**

Robinson Reed Layton LLP

Dated: 18 December 2018

# BODRIGGY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	7,882	7,756
Charitable activities:					
- Funding for educational operations	4	100,181	1,608,269	-	1,708,450
Other trading activities	5	3,940	-	-	3,940
Investments	6	204	-	-	204
<b>Total</b>		<b>104,325</b>	<b>1,608,269</b>	<b>7,882</b>	<b>1,720,476</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	21,392	1,812,242	65,939	1,899,573
<b>Total</b>	<b>7</b>	<b>21,392</b>	<b>1,812,242</b>	<b>65,939</b>	<b>1,899,573</b>
<b>Net income/(expenditure)</b>		<b>82,933</b>	<b>(203,973)</b>	<b>(58,057)</b>	<b>(179,097)</b>
Transfers between funds	17	(79,076)	79,973	(897)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	244,000	-	244,000
<b>Net movement in funds</b>		<b>3,857</b>	<b>120,000</b>	<b>(58,954)</b>	<b>64,903</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		282,144	(847,000)	2,653,996	2,089,140
Total funds carried forward		286,001	(727,000)	2,595,042	2,154,043

# BODRIGGY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	7,756	7,756
Charitable activities:					
- Funding for educational operations	4	86,141	1,488,532	-	1,574,673
Other trading activities	5	6,455	-	-	6,455
Investments	6	231	-	-	231
<b>Total</b>		<u>92,827</u>	<u>1,488,532</u>	<u>7,756</u>	<u>1,589,115</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	-	1,731,191	65,019	1,796,210
<b>Total</b>	7	<u>-</u>	<u>1,731,191</u>	<u>65,019</u>	<u>1,796,210</u>
<b>Net income/(expenditure)</b>		92,827	(242,659)	(57,263)	(207,095)
Transfers between funds	17	(143,914)	137,659	6,255	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	167,000	-	167,000
<b>Net movement in funds</b>		(51,087)	62,000	(51,008)	(40,095)
<b>Reconciliation of funds</b>					
Total funds brought forward		333,231	(909,000)	2,705,004	2,129,235
Total funds carried forward		<u>282,144</u>	<u>(847,000)</u>	<u>2,653,996</u>	<u>2,089,140</u>

# BODRIGGY ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	2,595,042	2,646,240
<b>Current assets</b>			
Stocks	13	965	4,935
Debtors	14	43,179	54,422
Cash at bank and in hand		337,059	328,431
		381,203	387,788
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(95,202)	(97,888)
<b>Net current assets</b>		286,001	289,900
<b>Net assets excluding pension liability</b>		2,881,043	2,936,140
Defined benefit pension scheme liability	19	(727,000)	(847,000)
<b>Net assets</b>		2,154,043	2,089,140
<b>Funds of the academy:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		2,595,042	2,653,996
- Pension reserve		(727,000)	(847,000)
<b>Total restricted funds</b>		1,868,042	1,806,996
<b>Unrestricted income funds</b>	17	286,001	282,144
<b>Total funds</b>		2,154,043	2,089,140

The accounts on pages 20 to 42 were approved by the trustees and authorised for issue on 17/12/18 and are signed on their behalf by:

S Rotman  
Chair

Company Number 07548794



# BODRIGGY ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	20		15,283		(70,654)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		204		231	
Capital grants from DfE Group		7,882		7,756	
Purchase of tangible fixed assets		(14,741)		(6,255)	
<b>Net cash (used in)/provided by investing activities</b>			(6,655)		1,732
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			8,628		(68,922)
Cash and cash equivalents at beginning of the year			328,431		397,353
<b>Cash and cash equivalents at end of the year</b>			337,059		328,431

# **BODRIGGY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **1 Accounting policies**

Bodriggy Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### **1.1 Basis of preparation**

The accounts of the academy, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bodriggy Academy meets the definition of a public benefit entity under FRS 102.

##### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The assets and liabilities of Bodriggy Academy were transferred to Truro & Penwith Academy Trust on 1 September 2018. The school continues to operate within the multi academy trust.

##### **1.3 Income**

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

(Continued)

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

#### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This 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.

##### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land & buildings	2% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	10-20% per annum on cost

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.

#### 1.6 Liabilities

Liabilities 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.

#### 1.7 Leased assets

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

#### 1.8 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. Prepayments are not financial instruments.

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 cost. 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 instrument.

#### 1.9 Stock

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

#### 1.10 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.

# **BODRIGGY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **1 Accounting policies**

**(Continued)**

#### **1.11 Pensions benefits**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 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.

#### **1.12 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 2 Critical accounting estimates

Accounting estimates and judgements 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2018. 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.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	7,882	7,882	7,756

#### 4 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,304,469	1,304,469	1,206,210
Other DfE group grants	-	191,023	191,023	188,142
	-	1,495,492	1,495,492	1,394,352
<b>Other government grants</b>				
Local authority grants	-	112,777	112,777	94,180
<b>Other funding</b>				
Other incoming resources	100,181	-	100,181	86,141
<b>Total funding</b>	100,181	1,608,269	1,708,450	1,574,673

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	1,730	-	1,730	1,610
Other income	2,210	-	2,210	4,845
	<u>3,940</u>	<u>-</u>	<u>3,940</u>	<u>6,455</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	<u>204</u>	<u>-</u>	<u>204</u>	<u>231</u>

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	1,130,092	-	153,494	1,283,586	1,207,510
- Allocated support costs	<u>341,523</u>	<u>166,889</u>	<u>107,575</u>	<u>615,987</u>	<u>588,700</u>
	<u>1,471,615</u>	<u>166,889</u>	<u>261,069</u>	<u>1,899,573</u>	<u>1,796,210</u>

#### Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	2,735	2,400
- Other services	2,525	2,700
Operating lease rentals	2,583	4,873
Depreciation of tangible fixed assets	65,939	65,019
Net interest on defined benefit pension liability	<u>23,000</u>	<u>20,000</u>

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	20,280	1,263,306	1,283,586	1,207,510
<b>Support costs</b>				
Educational operations	1,112	614,875	615,987	588,700
	<u>21,392</u>	<u>1,878,181</u>	<u>1,899,573</u>	<u>1,796,210</u>

	2018 £	2017 £
<b>Analysis of support costs</b>		
Support staff costs	341,523	326,287
Depreciation	65,939	65,019
Technology costs	896	6,070
Premises costs	100,950	85,002
Other support costs	103,944	103,922
Governance costs	2,735	2,400
	<u>615,987</u>	<u>588,700</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	1,084,748	1,065,099
Social security costs	79,285	76,500
Pension costs	268,283	249,828
Staff costs	<u>1,432,316</u>	<u>1,391,427</u>
Agency staff costs	15,519	20,718
Staff restructuring costs	9,000	-
Staff development and other staff costs	14,780	8,179
Total staff expenditure	<u>1,471,615</u>	<u>1,420,324</u>

Staff restructuring costs comprise:

Severance payments	<u>9,000</u>	<u>-</u>
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# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

(Continued)

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,000 (2017: £Nil). Individually, the payments were: £9,000.

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	13	12
Administration and support	40	35
Management	5	5
	<u>58</u>	<u>52</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	<u>1</u>	<u>-</u>

#### Key management personnel

The key management personnel of the academy 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 was £302,064 (2017: £277,889).

# **BODRIGGY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2018**

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### **10 Trustees' remuneration and expenses**

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees, other than disclosed in note 22. During the year and the prior period no expenses payments were reimbursed to any trustees.

The value of trustees' remuneration was as follows:

J Smith (headteacher (resigned 31 May 2017) and trustee):

- Remuneration £0 - £5,000 (2017: £35,000 - £40,000).
- Employer's pension contribution: £0 - £5,000 (2017: £5,000 - £10,000)

C Hannaford (headteacher (appointed 5 June 2017) and trustee):

- Remuneration £60,000 - £65,000 (2017: £10,000 - £15,000).
- Employer's pension contribution: £10,000 - £15,000 (2017: £Nil - £5,000).

KJ Quinn (staff trustee):

- Remuneration £45,000 - £50,000 (2017: £40,000 - £45,000).
- Employer's pension contribution: £5,000 - £10,000 (2017: £5,000 - £10,000)

E Tredinnick (staff trustee):

- Remuneration £25,000 - £30,000 (2017: £25,000 - £30,000).
- Employer's pension contribution: £0 - £5,000 (2017: £Nil - £5,000)

SM May (staff trustee):

- Remuneration £10,000 - £15,000 (2017: £5,000 - £10,000).
- Employer's pension contribution: £0 - £5,000 (2017: £Nil - £5,000)

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

### **11 Trustees and officers insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £223 (2017: £223).

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Leasehold land & buildings	Computer equipment	Furniture & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2017	3,016,554	59,357	29,997	2,783	3,108,691
Additions	-	4,950	9,791	-	14,741
At 31 August 2018	3,016,554	64,307	39,788	2,783	3,123,432
<b>Depreciation</b>					
At 1 September 2017	380,064	59,275	20,329	2,783	462,451
Charge for the year	60,331	1,732	3,876	-	65,939
At 31 August 2018	440,395	61,007	24,205	2,783	528,390
<b>Net book value</b>					
At 31 August 2018	2,576,159	3,300	15,583	-	2,595,042
At 31 August 2017	2,636,490	82	9,668	-	2,646,240

### 13 Stocks

	2018 £	2017 £
School uniform	965	4,935

### 14 Debtors

	2018 £	2017 £
VAT recoverable	7,381	5,011
Prepayments and accrued income	35,798	49,411
	43,179	54,422

### 15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	15,297	20,214
Other taxation and social security	21,158	38,389
Other creditors	21,481	-
Accruals and deferred income	37,266	39,285
	95,202	97,888

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	23,070	28,328
		<u>23,070</u>	<u>28,328</u>
	Deferred income at 1 September 2017	28,328	23,294
	Released from previous years	(28,328)	(23,294)
	Resources deferred in the year	23,070	28,328
		<u>23,070</u>	<u>28,328</u>
	<b>Deferred income at 31 August 2018</b>	<b>23,070</b>	<b>28,328</b>

Included within the deferred income balance of £23,070 (2017: £28,328) ; £23,070 (2017: £24,855) of Universal Infants Free School Meals funding, £Nil (2017: £3,473) of Rates Relief funding.

17	Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	1,304,469	(1,384,442)	79,973	-
	Other DfE / ESFA grants	-	191,023	(191,023)	-	-
	Other government grants	-	112,777	(112,777)	-	-
	Pension reserve	(847,000)	-	(124,000)	244,000	(727,000)
		<u>(847,000)</u>	<u>1,608,269</u>	<u>(1,812,242)</u>	<u>323,973</u>	<u>(727,000)</u>
	<b>Restricted fixed asset funds</b>					
	Transfer on conversion	2,526,309	-	(57,841)	-	2,468,468
	DfE group capital grants	114,486	7,882	(5,405)	(6,255)	110,708
	Capital expenditure from GAG	13,201	-	(2,693)	5,358	15,866
		<u>2,653,996</u>	<u>7,882</u>	<u>(65,939)</u>	<u>(897)</u>	<u>2,595,042</u>
	<b>Total restricted funds</b>	<b>1,806,996</b>	<b>1,616,151</b>	<b>(1,878,181)</b>	<b>323,076</b>	<b>1,868,042</b>
	<b>Unrestricted funds</b>					
	General funds	282,144	104,325	(21,392)	(79,076)	286,001
		<u>282,144</u>	<u>104,325</u>	<u>(21,392)</u>	<u>(79,076)</u>	<u>286,001</u>
	<b>Total funds</b>	<b>2,089,140</b>	<b>1,720,476</b>	<b>(1,899,573)</b>	<b>244,000</b>	<b>2,154,043</b>

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 17 Funds

(Continued)

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

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

*Restricted fixed asset funds* - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to Bodriggy Academy on 1 April 2011 and Education & Skills Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,206,210	(1,343,869)	137,659	-
Other DfE / ESFA grants	-	188,142	(188,142)	-	-
Other government grants	-	94,180	(94,180)	-	-
Pension reserve	(909,000)	-	(105,000)	167,000	(847,000)
	<u>(909,000)</u>	<u>1,488,532</u>	<u>(1,731,191)</u>	<u>304,659</u>	<u>(847,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,584,150	-	(57,841)	-	2,526,309
DfE group capital grants	104,003	7,756	(3,528)	6,255	114,486
Capital expenditure from GAG	16,851	-	(3,650)	-	13,201
	<u>2,705,004</u>	<u>7,756</u>	<u>(65,019)</u>	<u>6,255</u>	<u>2,653,996</u>
<b>Total restricted funds</b>	<u>1,796,004</u>	<u>1,496,288</u>	<u>(1,796,210)</u>	<u>310,914</u>	<u>1,806,996</u>
<b>Unrestricted funds</b>					
General funds	<u>333,231</u>	<u>92,827</u>	<u>-</u>	<u>(143,914)</u>	<u>282,144</u>
<b>Total funds</b>	<u>2,129,235</u>	<u>1,589,115</u>	<u>(1,796,210)</u>	<u>167,000</u>	<u>2,089,140</u>

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,510,679	(2,728,311)	217,632	-
Other DfE / ESFA grants	-	379,165	(379,165)	-	-
Other government grants	-	206,957	(206,957)	-	-
Pension reserve	(909,000)	-	(229,000)	411,000	(727,000)
	<u>(909,000)</u>	<u>3,096,801</u>	<u>(3,543,433)</u>	<u>628,632</u>	<u>(727,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,584,150	-	(115,682)	-	2,468,468
DfE group capital grants	104,003	15,638	(8,933)	-	110,708
Capital expenditure from GAG	16,851	-	(6,343)	5,358	15,866
	<u>2,705,004</u>	<u>15,638</u>	<u>(130,958)</u>	<u>5,358</u>	<u>2,595,042</u>
<b>Total restricted funds</b>	<u>1,796,004</u>	<u>3,112,439</u>	<u>(3,674,391)</u>	<u>633,990</u>	<u>1,868,042</u>
<b>Unrestricted funds</b>					
General funds	<u>333,231</u>	<u>197,152</u>	<u>(21,392)</u>	<u>(222,990)</u>	<u>286,001</u>
<b>Total funds</b>	<u>2,129,235</u>	<u>3,309,591</u>	<u>(3,695,783)</u>	<u>411,000</u>	<u>2,154,043</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	2,595,042	2,595,042
Current assets	381,203	-	-	381,203
Creditors falling due within one year	(95,202)	-	-	(95,202)
Defined benefit pension liability	-	(727,000)	-	(727,000)
<b>Total net assets</b>	<u>286,001</u>	<u>(727,000)</u>	<u>2,595,042</u>	<u>2,154,043</u>

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	2,646,240	2,646,240
Current assets	380,032	-	7,756	387,788
Creditors falling due within one year	(97,888)	-	-	(97,888)
Defined benefit pension liability	-	(847,000)	-	(847,000)
<b>Total net assets</b>	<b>282,144</b>	<b>(847,000)</b>	<b>2,653,996</b>	<b>2,089,140</b>

#### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £21,416 (2017: £19,786) were payable to the schemes at 31 August 2018 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' 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.

# **BODRIGGY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **19 Pension and similar obligations**

**(Continued)**

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

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

The pension costs paid to the TPS in the period amounted to £89,133 (2017: £84,063).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.8% for employers and 5.5% to 12.5% for employees.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £23,500 in addition to normal funding levels, over a period of 2 years, in order to bridge the scheme deficit.

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



# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 19 Pension and similar obligations (Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	84,000	81,000
Employees' contributions	26,000	25,000
Total contributions	<u>110,000</u>	<u>106,000</u>
<b>Principal actuarial assumptions</b>	<b>2018 %</b>	<b>2017 %</b>
Rate of increase in salaries	2.4	2.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	<u>2.8</u>	<u>2.5</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.5	24.5
Retiring in 20 years		
- Males	24	24.0
- Females	<u>26.4</u>	<u>26.4</u>

#### Sensitivity analysis

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

Change in assumptions as at 31 August 2018:

0.5% decrease in Real Discount Rate - 14% approximate increase to Employer Liability equating to approximately £267,000.

0.5% increase in the Salary Increase Rate - 3% approximate increase to Employer Liability equating to approximately £59,000.

0.5% increase in the Pension Increase Rate - 11% approximate increase to Employer Liability equating to approximately £204,000.

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

#### The academy's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	592,000	494,000
Bonds	519,000	452,000
Property	85,000	73,000
Other assets	12,000	31,000
Total market value of assets	<u>1,208,000</u>	<u>1,050,000</u>

The actual return on scheme assets was £60,000 (2017: £36,000).

#### Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	185,000	166,000
Interest income	(27,000)	(20,000)
Interest cost	50,000	40,000
Total operating charge	<u>208,000</u>	<u>186,000</u>

#### Changes in the present value of defined benefit obligations

	2018 £
At 1 September 2017	1,897,000
Current service cost	185,000
Interest cost	50,000
Employee contributions	26,000
Actuarial gain	(211,000)
Benefits paid	(12,000)
At 31 August 2018	<u>1,935,000</u>

# BODRIGGY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations (Continued)

#### Changes in the fair value of the academy's share of scheme assets

	2018 £
At 1 September 2017	1,050,000
Interest income	27,000
Actuarial gain	33,000
Employer contributions	84,000
Employee contributions	26,000
Benefits paid	(12,000)
At 31 August 2018	1,208,000

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(179,097)	(207,095)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(7,882)	(7,756)
Investment income receivable	(204)	(231)
Defined benefit pension costs less contributions payable	101,000	85,000
Defined benefit pension net finance cost	23,000	20,000
Depreciation of tangible fixed assets	65,939	65,019
Decrease/(increase) in stocks	3,970	(3,935)
Decrease/(increase) in debtors	11,243	(8,076)
(Decrease) in creditors	(2,686)	(13,580)
Net cash provided by/(used in) operating activities	15,283	(70,654)

### 21 Commitments under operating leases

At 31 August 2018 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	2,583	2,583
Amounts due in two and five years	5,166	7,750
	7,749	10,333

# **BODRIGGY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### **22 Related party transactions**

During the year, JE Davis (Chair of Governors) was paid £3,000 for his role as Chair.

See note 10 for trustees' remuneration and expenses.

### **23 Post balance sheet events**

On 1 September 2018 the charitable company's operations, as well as its assets and liabilities were transferred to Truro and Penwith Academy Trust.

### **24 Members' liability**

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