

Company Registration Number: 07803789

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Legal Status

Exempt charity regulated by the Secretary of State for Education under the Academies Act 2011. Company limited by guarantee, number: 07803789 (England and Wales).

Governors

Kevin Candy, Community Officer
Paul Brown, Head Teacher and Accounting Officer
Nikki Pollitt, Staff Governor
Terry Gibson, Chairman
Jennifer Hunter, Vice Chair
Rev Dr Ben Sargent, Foundation Governor
Martin Saunders, Staff Governor
Kerry Stopa, Foundation Governor
Melanie Warman, Foundation Governor
Sarah Hogg, Community Governor
Alison Hawkes, Parent Governor
Suzanne Darlington, Parent Governor

Company registered number

07803789

Company name

Bransgore Church of England Primary School

Principal and registered office

Ringwood Road, Bransgore, Christchurch, Dorset, BH23 8JH

Company secretary

Wendy Keene MBE

Chairman

Terry Gibson

Key management personnel

Paul Brown, Headteacher and Accounting Officer
Nikki Pollitt, Deputy Headteacher
Martin Saunders, Staff Governor

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors 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 Company was incorporated on 10 October 2011 and opened as an Academy on 01 December 2011. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The School operates an Academy for pupils aged 4 to 11 serving a catchment area in Brangsgore, Hampshire. It has a pupil capacity of 339 and had a roll of 340 in the school census in May 2017.

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements, and comply with the Charitable Company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS102) in January 2015.

Structure, governance and management

a. Constitution

Brangsgore School is a Company limited by guarantee with no share capital (registration no. 07803789) and is an exempt charity. The Charitable Company's memorandum and articles of association are the prime governing documents of Brangsgore Church of England Primary School. The articles of association require Members of the Charitable Company to appoint not less than 3 Directors (Governors) as a Governing Body to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of Brangsgore School. The Governors of Brangsgore Church of England Primary School are also the Directors of the Charitable Company for the purposes of Company law.

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. Governors' indemnities

For the year to 31 August 2017, the school held professional indemnity insurance for Governors to the value of £2,000,000.

d. Method of recruitment and appointment or election of Governors

The Governors are Directors of the Charitable Company for the purposes of the Companies Act 2006, and Trustees for the purposes of the charity legislation. The term of office for any Governor shall be 4 years, save that this shall not apply to the Headteacher or the Vicar. Two Governors are put forward for appointment by the Senior Staff of the school making 3 Staff Governors in total. Three Community Governors are appointed by the Governors from the Community. Two Governors are appointed by the Diocese and they, together with the Vicar form the 3 Foundation Governors. Parents of children at the school are elected by the parents and there can be a maximum of four Parent Governors. When their four year term comes to an end if they wish to continue and their children still attend the school they must stand for re-election. With the exception of Parent Governors the Governors may reappoint any Governor whose has served a 4 year term of office, is still eligible to be a Governor, and wishes to continue.

The Governors who served in the year ended 31 August 2017 and up to the date of approval of the annual

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

report and financial statements are listed on page 1.

e. Policies and procedures adopted for the induction and training of Governors

The training and induction provided for the new Governors will depend on their existing experience and is tailored to the needs of the individual. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Governors are given a tour of the school and the chance to meet staff and students. All Governors are provided with access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

f. Organisational structure

Bransgore Church of England Primary School has a management structure of a Governing Body and a Leadership Team led by the Headteacher.

The Governing Body has overarching responsibility for the school, including:

- Policy development and strategic planning, including target-setting to keep up momentum on school improvement.
- Ensuring sound management and administration of the school, and ensuring that managers are equipped with relevant skills and guidance.
- Ensuring compliance with legal requirements.
- Establishing and maintaining a transparent system of prudent and effective internal controls.
- Management of the school's financial, human and other resources.
- Monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon.
- Helping the school be responsive to the needs of parents and the community and making it more accountable through consultation and reporting.
- Setting the school's standards of conduct and values.
- Assessing and managing risk (including preparation of a statement on the school's risk management for its annual report and accounts).
- Ensuring that bank accounts, financial systems and financial records are operated by more than one person;
- Ensuring that all the school's property is under the control of the Governors.
- Keeping full and accurate accounting records, and;
- Preparing financial statements giving a true and fair view of the school's incoming resources and application of resources during the period and of its state of affairs at the period end.

The executive powers of the Governing Body are delegated to the Headteacher unless specifically retained or otherwise set out in approved policies.

g. Pay policy for key management personnel

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as, the school group size, Internal Schools Review, the pay scales for each role and the level of experience of the staff member. In addition to this, levels of pay may be effected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post, which all coincides with the schools appointment and pay policies. All amendments to key management personnel's pay and remuneration is discussed and agreed by the Board of Directors/Trustees

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

Objectives and Activities

a. Objects and aims

The object of the Academy is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

b. Objectives, strategies and activities

The key objectives for the year are:

- To ensure all pupil groups, including vulnerable pupils make good academic progress and attainment differences are diminished.
- 70%+ of pupils achieve age related expectations in maths, reading, writing grammar and spelling at the end of Key Stage 2.
- 20%+ of pupils exceed age related expectations in Reading at the end of Key Stage 2.
- 15%+ of pupils exceed age related expectations in Writing at the end of Key Stage 2.
- 20%+ of pupils exceed age related expectations in Maths at the end of Key Stage 2.
- 70%+ of pupils achieve age related expectations in Maths, Reading and Writing at the end of Key Stage 1.
- 20%+ of pupils exceed age related expectations in Reading at the end of Key Stage 1.
- 15%+ of pupils exceed age related expectations in Writing at the end of Key Stage 1.
- 20%+ of pupils exceed age related expectations in Maths at the end of Key Stage 1.
- To ensure attendance rises to 97%
- To minimise unauthorised absence ensuring new holiday regulations do not allow unauthorised absence to rise above 3% in 2016/17.
- To raise positive parent responses (grading 1 or 2) to questionnaires to 90%+.
- Improve outdoor learning spaces to enrich the curriculum and support learning.
- Maximise the use of IT resources as a learning tool.
- To embed growth mind-set as an approach to build resilience and effort in pupils leading to better academic and pastoral outcomes for all children.
- To become and accredited Rights Respecting School
- Gain the Eco-Schools green flag
- Ensure stronger global learning across the curriculum.
- Introduce distinctive Bransgore values.
- Gain an outstanding grading in SIAMS inspection.

c. Public benefit

The Governors, acting as Trustees, confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

Strategic report

a. Achievements and performance

We can report that our KS2 results were positive and significantly improved on results from 2016. We broadly achieved our aim of exceeding the national outcomes in most areas of the curriculum at KS2. The key area of concern continues to be ensuring all groups of pupils make excellent progress between KS1 and 2. Progress and achievement for disadvantaged pupils and adding maximum value remain the challenges facing the school over the coming years. The introduction of a new curriculum and more challenging tests meant that results this year were still not what we want them to be but were much improved and compare favourably to similar schools

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

and schools nationally.

Review of targets for 2016/17:

The target for Summer 2017 was to exceed the national outcomes across all areas of the curriculum.

- 65% of pupils achieved the expected national standard in combined Maths, Reading and Writing at the end of Key Stage 2. This was better than the national outcome of 61%. This represented an 8% improvement for the school.
- 88% of pupils achieved the expected standard in reading at the end of Key Stage 2. This meant school performed significantly above national outcome of 71%.
- 78% of pupils achieved the expected outcome in writing at the end of Key Stage 2. This meant school performed better than the national outcome of 76%. A 4% improvement for school on writing outcomes for last year.
- 82% of pupils achieved the expected outcome in Maths at the end of Key Stage 2. This meant Bransgore School performed better than the national outcome of 75%. This was a 15% improvement on last year for the school.
- 78% of pupils achieved the expected standard in Reading at the end of Key Stage 1. This result is better than the national outcome of 76%.
- In writing 69% of pupils achieved the expected outcome compared to 68% nationally. This was an improvement on outcomes in writing from last year.
- 71% of pupils achieved the expected outcome in Maths at the end of Key Stage 1. This was below the national picture of 73%.
- In Foundation stage 82% of pupils achieved a good level of development compared to 71% nationally.
- In the phonics test in year 1 school built upon last year's strong performance with 87% of pupils passing the test compared to 81% nationally. This represented a further 6% improvement for school.
- To ensure attendance is sustained at 97% - This target was again narrowly missed at 96.8%
- The School continues to operate as a National Support School and we have supported improvement in several schools in the past year. The school has 5 active Senior Leaders in Education who support improvement in other schools.
- The head teacher was seconded to lead a second school for the Spring term 2017.
- The head teacher continues to work as a National Leader in Education and an assessor for the Pupil Premium grant review. The chair of governors is a national leader of governance.

This has been another challenging year for primary schools due to significant changes to assessment and the curriculum. Bransgore School has responded well over the past year and has maintained pupil numbers at full capacity and adapted to the curriculum changes effectively. The governing body are strongly of the opinion that the school is in a strong position to make further improvements to outcomes and progress over the coming academic year 2017-18.

The school has increased participation in sporting competitions and increased the number of trips and visits undertaken.

Parents continue to be satisfied with the school's performance with 98% of parents stating that they would recommend the school to others.

The school has fundraised successfully to build a new library/ learning space. This was completed in March 2017.

The school outdoor learning environment has been improved this year with renovation of amphitheatre outdoor learning space, building of a new sand and natural play area, improved forest school access and further plans to renovate and improve the outdoors over the coming 3 years.

A new fibre optic broadband solution has significantly improved the operation of online resources and the school network.

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

b. Going concern

After making appropriate enquiries, the Governing Body 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 statement of accounting policies.

Financial review

a. Financial Report for the Year

During the year Bransgore Church of England Primary School received income of £1,552,411 (2016: £1,711,194) in respect of funding for the Academy's educational operations, of which £1,267,962 (2016: £1,278,972) was received from EFA in respect of the general annual grant and specific grants, with the remaining £284,449 (2016: £432,222) being from other non-government sources.

Voluntary income for the year was £20,439 (2016: £23,815) which included £15k of restricted income to be spent on the library and other ICT projects.

Income from Activities for Generating Funds was £117,991 (2016: £97,123). The reason for the decrease is due a decrease in catering income due to the introduction of free school meals by the Government.

Total income amounted to £1,690,841 (2016: £1,832,359). Expenditure amounted to £1,922,730 (2016: £1,911,507) in respect of operating Bransgore Church of England Primary School.

b. Financial Position

At the Balance Sheet date, the Charitable Company had unrestricted revenue reserves of £143,016, restricted deficit revenue reserves (excluding pension fund deficit) of £55,156 and restricted fixed asset reserves of £2,569,468.

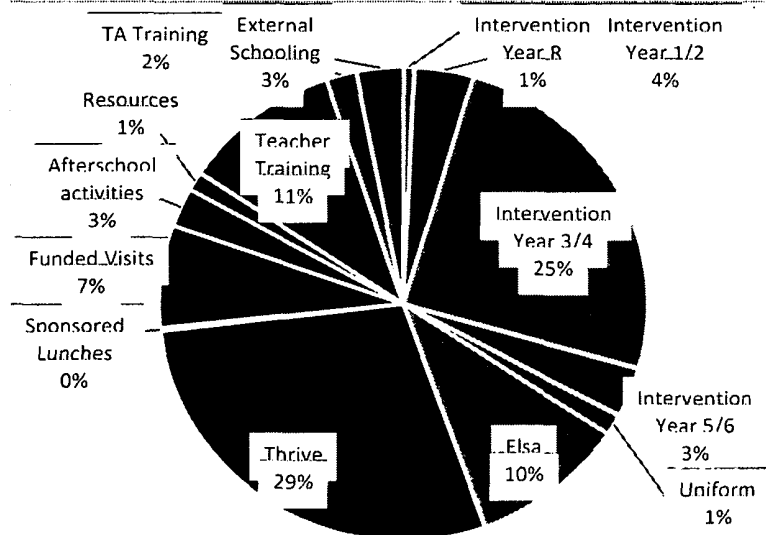
As at the Balance Sheet date there is a pension fund deficit of £484,000 in relation to the school's share of the Local Government Pension Scheme deficit. This does not represent an immediately realisable liability that requires payment: in respect of any surplus or deficit recognised, this would generally result in a cash flow effect for the school in the form of an increase or decrease in employer's pension contributions over a number of years.

c. Expenditure 2016-17

During the year, the School received £41,750 for Pupil Premium pupils, a summary of spending can be found overleaf:

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



Other significant expenditure within the year was Sports Premium Grant:

The school received £9,460. This money has been spent on increasing sporting participation, competitions, a service level agreement with New Forest School Sport Partnership and staff training and development particularly for gymnastics where we now have a qualified coach on the staff team. We also employed a HLTA to coach gymnastics and dance to ensure the best quality provision for pupils. We have purchased the "PE Passport" planning and assessment tool to ensure pupils receive the best possible curriculum and have introduced "The daily mile" for pupils.

Other areas of significant spending in the past 12 months were:

Construction of new library and teaching space: £87,666.

d. Reserves Policy

The Governors review the reserve levels of the School annually as part of the budgeting process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services, to maintain and enhance the school's premises and infrastructure and to fund future projects. Of the unrestricted surplus funds a minimum of £86,000 is ring fenced for SCITT, the balance of unrestricted reserves £57,016 will be allocated to fund future projects such as possible school expansion to 2 forms and major upgrading of IT provision. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved.

e. Investment Policy

Bransgore School has a detailed Treasury Policy developed in accordance with CIPFA'S Treasury management in the public services: Code of Practice. The School regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. The School will respond to funds assured in savings accounts being reduced to £75,000 by moving funds into a number of accounts to ensure there is no detrimental effect were a bank to fall into difficulty.

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GOVERNORS' REPORT (continued)
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f. Principal Risks and Uncertainties

The Governors are ultimately responsible for assessing and managing the risks of the School, including:

- Identifying the major risks to which the School is exposed;
- Assessing the likelihood of those risks;
- Determining the potential impact of those risks; and
- Implementing systems and procedures to mitigate and monitor risks.

Responsibility for day to day management of risk is delegated to the Headteacher. The Governors regularly review the strategic risk register prepared by the Headteacher.

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

Plans for future periods

a. Future developments

Brangsgore Church of England Primary School will continue to pursue its objectives and aims and support the continuing success and development of students, thereby reinforcing the School's existing OFSTED Outstanding rating.

The School will also continue to develop partnerships and collaborative working through the SPELL teaching school network, the QTL leadership training consortium, plus South Coast SCITT.

Links with local and regional businesses and the wider community will be developed in accordance with the School objectives and to benefit of students, the School and the community.

The Governors will re-apply for a grant to develop the early years teaching space which will be submitted to the DFE. The School association has supported the School in raising funds to create a new library and teaching space. This ensures all pupil groups are taught in suitable accommodation.

The School hopes to develop a multi-use games area by securing grant funding.

Improve the internet to fibre optic connection.

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

Disclosure of information to auditor

Insofar as the Governors are aware:

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

Auditor

The auditor, Crowe Clark Whitehill LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 1 Dec 17 and signed on its behalf by:


Terry Gibson
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Bransgore Church of England 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 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 Bransgore Church of England 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 Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Kevin Candy, Community Officer	7	9
Paul Brown, Head Teacher and Accounting Officer	9	9
Nikki Pollitt, Staff Governor	9	9
Terry Gibson, Chairman	7	9
Jennifer Hunter, Vice Chair	6	9
Rev Dr Ben Sargent, Foundation Governor	5	9
Martin Saunders, Staff Governor	6	9
Kerry Stopa, Foundation Governor	6	9
Melanie Warman, Foundation Governor	3	9
Sarah Hogg, Community Governor	8	9
Alison Hawkes, Parent Governor	7	9
Suzanne Darlington, Parent Governor	9	9

There have been no key changes within the year to the governing body. The governing body regularly (at least annually at A.G.M) evaluates its effectiveness and impact. The academic success and pupil numbers are key indicators but the board also strives to equip itself with the skills and knowledge to manage the broad and challenging demands placed upon the academy. For example, the board has a barrister serving, members of senior leadership in other schools, marketing and media experts and experts in business development and child development.

The Finance Committee is a sub-committee of the main Board of Governors

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Paul Brown	7	7
Terry Gibson	6	7
Kevin Candy	5	7
Alison Hawkes	7	7

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy delivers good value in

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GOVERNANCE STATEMENT (continued)

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:

- **Robust governance and oversight of finances:**

The Governing Body takes responsibility for the performance of internal audit. They review key financial policies, systems & procedures and then report back to the Governing Body.

- **Robust governance and oversight of finances (continued):**

The Governing Body also approve the annual Statutory Accounts and External Auditor's Management Report, which reports on areas on internal control and financial regularity.

The Finance Committee receive detailed management accounts on a half-termly basis, with any variances investigated and remedial action put in place.

The Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure that the Academy remains a going concern. The Governors appoint a responsible officer who visits school at least once per term to test systems and processes.

- **Demonstrates good value for money and efficient and effective use of resources:**

Contracts are regularly reviewed to ensure that they conform with the policies approved by the Governing Body. 3 written quotes are obtained for expenditure between £1,000 & £10,000 and a formal tendering process is undertaken for expenditure over £10,000. Contracts are awarded on the basis of value for money and not simply on lowest price.

All contracts are reviewed prior to expiry to assess the ongoing requirement of the service. If the service is to be renewed, a benchmarking exercise is undertaken to see if the service can be provided at better value for money.

- **Maximising income generation:**

The Academy explores every opportunity to generate income through capital grants and via school to school support services sold to other schools. The Headteacher works in a consultant facilitation role for the University of Winchester and income generated by this work comes directly into the school budget. We also offer Initial Teacher Training as part of our SCITT partnership and this generates income for the School. We want to develop an income stream via lettings and also through the development of a multi-use sports surface which can be hired out.

- **Reviewing controls and managing risks:**

Management accounts are prepared on a regular basis (usually termly) and are presented to the Finance Committee. Any variances identified are investigated with remedial action taken if required.

The Governing Body approves any expenditure over £10,000 following a formal tendering process.

- **Reviewing operation to maximise use of resources:**

The Head teacher reviews expenditure within each budget heading on a regular basis and makes future adjustments based on effectiveness of strategies introduced in previous years, curriculum development and the School Improvement Plan.

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

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GOVERNANCE STATEMENT (continued)

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 Bransgore Church of England 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.

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 finance and personnel 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 Governors have appointed Alison Hawkes, a Governor, 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. In particular the checks carried out in the current period included reviewing elements of payroll, banking and invoice procedures on a randomised basis. These have been agreed on the day of the visit to ensure authenticity and clarity.

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

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the 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.

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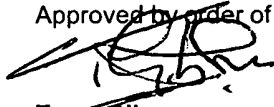
GOVERNANCE STATEMENT (continued)

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 members of the board of trustees on

1 Dec '17

and signed on their behalf, by:


Terry Gibson
Chair of Trustees


Paul Brown
Headteacher and Accounting Officer

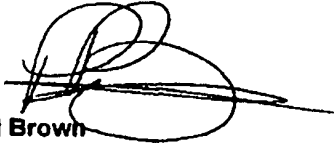
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bransgore Church of England 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.



Paul Brown
Headteacher and Accounting Officer

1/12/2017

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Governors (who act as governors of Bransgore Church of England Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors 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;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 1/12/17 and signed on its behalf by:



Terry Gibson
Chair of Trustees

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL**

Opinion

We have audited the financial statements of Bransgore Church of England 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL**

Other information

The Governors 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 Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has 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 Governors' 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 Governors' 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 Governors' responsibilities, the Governors (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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors 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 Governors either intend to liquidate the academy's or to cease

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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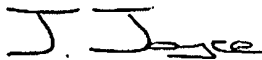
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL**

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.



Janette Joyce (Senior Statutory Auditor)

Crowe Clark Whitehill LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL
Date: 13.12.17

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 September 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 Bransgore Church of England 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 Bransgore Church of England 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 Bransgore Church of England 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 Bransgore Church of England Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bransgore Church of England Primary School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Bransgore Church of England Primary School's funding agreement with the Secretary of State for Education, 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.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
BRANSGORE CHURCH OF ENGLAND 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.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 13.12.17

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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


	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	5,439	-	15,000	20,439	23,815
Charitable activities	3	267,729	1,276,857	7,825	1,552,411	1,711,194
Other trading activities	4	117,991	-	-	117,991	97,123
Investments	5	-	-	-	-	227
Total income		391,159	1,276,857	22,825	1,690,841	1,832,359
Expenditure on:						
Raising funds		27,579	-	-	27,579	25,259
Charitable activities		391,253	1,400,640	103,258	1,895,151	1,886,248
Total expenditure	6	418,832	1,400,640	103,258	1,922,730	1,911,507
Net expenditure before transfers		(27,673)	(123,783)	(80,433)	(231,889)	(79,148)
Transfers between Funds	16	-	(28,775)	28,775	-	-
Net expenditure before other recognised gains and losses		(27,673)	(152,558)	(51,658)	(231,889)	(79,148)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	153,000	-	153,000	(308,000)
Net movement in funds		(27,673)	442	(51,658)	(78,889)	(387,148)
Reconciliation of funds:						
Total funds brought forward		170,689	(539,598)	2,621,126	2,252,217	2,639,365
Total funds carried forward		143,016	(539,156)	2,569,468	2,173,328	2,252,217

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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REGISTERED NUMBER: 07803789

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		2,569,468		2,585,060
Current assets					
Debtors	13	36,666		29,415	
Cash at bank and in hand		184,039		370,089	
		<u>220,705</u>		<u>399,504</u>	
Creditors: amounts falling due within one year	14	(132,845)		(163,347)	
Net current assets			87,860		236,157
Total assets less current liabilities			2,657,328		2,821,217
Defined benefit pension scheme liability	21	(484,000)		(569,000)	
Net assets including pension scheme liabilities			<u>2,173,328</u>		<u>2,252,217</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	(55,156)		29,402	
Restricted fixed asset funds	16	2,569,468		2,621,126	
Restricted income funds excluding pension liability		2,514,312		2,650,528	
Pension reserve		(484,000)		(569,000)	
Total restricted income funds			2,030,312		2,081,528
Unrestricted income funds	16		143,016		170,689
Total funds			<u>2,173,328</u>		<u>2,252,217</u>

The financial statements on pages 21 to 45 were approved by the Governors, and authorised for issue, on 1/12/17 and are signed on their behalf, by:


Terry Gibson
Chair of Trustees

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(121,209)</u>	<u>35,015</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	227
Purchase of tangible fixed assets		(87,666)	(99,245)
Capital grants from DfE/ESFA and other capital income		<u>22,825</u>	<u>28,791</u>
Net cash used in investing activities		<u>(64,841)</u>	<u>(70,227)</u>
Change in cash and cash equivalents in the year		(186,050)	(35,212)
Cash and cash equivalents brought forward		<u>370,089</u>	<u>405,301</u>
Cash and cash equivalents carried forward	19	<u><u>184,039</u></u>	<u><u>370,089</u></u>

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. Accounting Policies

The principal activity of Bransgore Church of England Primary School is to provide secondary education for pupils aged 4 to 11. The Trust is an exempt charity and a company limited by guarantee (company number: 07803789). It is incorporated and domiciled in the UK. The address of the registered office is Bransgore C of E Primary School, Ringwood Road, Bransgore, Christchurch, Dorset, BH23 8JH.

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.

Bransgore Church of England Primary School constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors 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.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**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.

Interest receivable is included within the statement of financial activities on a receivable basis.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

In respect of buildings transferred to the Academy from its previous form as a Foundation School, the open market value of this has been included within voluntary income under the Restricted Fixed Asset Fund. The cost of the building is depreciated over 50 years.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

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.

1.5 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.

BRANGSORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

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:

Long-term leasehold property	-	2-4%
Fixtures and fittings	-	10%
IS Computer Infrastructure	-	10%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

It is the Academy Trust's policy to transfer any amounts in the Unrestricted Fund that have been spent on capitalised fixed assets to the Restricted Fixed Asset Fund. This policy has been formally approved, minuted and adopted by the Governing Body.

1.6 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.

1.7 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.

1.8 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.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.9 Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 15 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income and taxation and social security.

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.

1.11 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 21, 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.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

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 Governors.

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.

1.13 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 21, 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.

Other than the LGPS noted above, the Governors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

BRANSGORE CHURCH OF ENGLAND PRIMARY SCHOOL
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**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 £	Total funds 2017 £	Total funds 2016 £
Donations	-	15,000	15,000	21,000
Capital Grants	5,439	-	5,439	2,815
	<u>5,439</u>	<u>15,000</u>	<u>20,439</u>	<u>23,815</u>
<i>Total 2016</i>	<u>2,815</u>	<u>21,000</u>	<u>23,815</u>	

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 (GAG)	-	1,121,359	1,121,359	1,140,888
Other DfE / EFA grants	-	146,603	146,603	138,084
	<u>-</u>	<u>1,267,962</u>	<u>1,267,962</u>	<u>1,278,972</u>
Other government grants				
Other grants	267,729	16,720	284,449	432,222
	<u>267,729</u>	<u>16,720</u>	<u>284,449</u>	<u>432,222</u>
	<u>267,729</u>	<u>1,284,682</u>	<u>1,552,411</u>	<u>1,711,194</u>
<i>Total 2016</i>	<u>405,000</u>	<u>1,306,194</u>	<u>1,711,194</u>	

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4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering income	24,046	-	24,046	26,742
Trip income	19,040	-	19,040	25,512
Other income	74,905	-	74,905	44,869
	<u>117,991</u>	<u>-</u>	<u>117,991</u>	<u>97,123</u>
<i>Total 2016</i>	<u>97,123</u>	<u>-</u>	<u>97,123</u>	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	-	-	-	227
	<u>-</u>	<u>-</u>	<u>-</u>	<u>227</u>
<i>Total 2016</i>	<u>227</u>	<u>-</u>	<u>227</u>	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	27,579	27,579	25,259
Funding for the Academy's:					
Direct costs	1,072,059	103,258	199,550	1,374,867	1,348,373
Support costs	274,440	36,526	209,318	520,284	537,875
	<u>1,346,499</u>	<u>139,784</u>	<u>436,447</u>	<u>1,922,730</u>	<u>1,911,507</u>
<i>Total 2016</i>	<u>1,166,631</u>	<u>138,902</u>	<u>605,974</u>	<u>1,911,507</u>	

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7. Analysis of expenditure by activities

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Funding for the Academy's educational operations	1,374,867	520,284	1,895,151	1,886,248
<i>Total 2016</i>	<u>1,348,373</u>	<u>537,875</u>	<u>1,886,248</u>	

Analysis of support costs

	Total 2017 £	Total 2016 £
Staff costs	274,440	213,276
Recruitment and support	(166)	1,323
Maintenance of premises and equipment	36,526	41,317
Cleaning	25,922	24,451
Rents & rates	3,821	3,638
Insurance	9,881	17,898
Security and transport	302	97
Catering	47,052	82,207
Energy costs	10,573	13,751
Other support costs	89,868	114,423
Governance costs	22,065	25,494
	<u>520,284</u>	<u>537,875</u>
<i>At 31 August 2016</i>	<u>537,875</u>	

8. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	103,258	97,585
Auditor's remuneration - audit	9,545	8,000
Auditor's remuneration - other services	2,370	2,020
Operating lease rentals	<u>3,840</u>	<u>1,326</u>

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9. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,030,854	924,218
Social security costs	88,046	70,661
Operating costs of defined benefit pension schemes	227,599	171,752
	<u>1,346,499</u>	<u>1,166,631</u>

2 employees received severance payments of £472 in total in the year.

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

	2017 No.	2016 No.
Teachers	14	12
Administration and support	27	29
Management	4	4
	<u>45</u>	<u>45</u>

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

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

Of the above employees earning more than £60,000 per annum, none participated in the Local Government Pension Scheme during the year ended 31 August 2017.

The key management personnel of the academy trust are 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 £214,387 (2016 £188,424).

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10. Governors' remuneration and expenses

The Executive Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff and not in respect of their services as governors.

		2017 £	2016 £
Nikki Pollit - Staff Governor	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Martin Saunders - Staff Governor	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Paul Brown - Headteacher	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2017, expenses totalling £836 (2016 - £1,618) were reimbursed to Governors.

11. Governors' 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in total insurance costs.

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12. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Computer equipment and, fixtures and fittings £	Assets under course of construction £	Total £
Cost					
At 1 September 2016	500,000	2,255,496	189,112	42,204	2,986,812
Additions	-	-	-	87,666	87,666
Transfer between classes	-	124,460	5,410	(129,870)	-
At 31 August 2017	500,000	2,379,956	194,522	-	3,074,478
Depreciation					
At 1 September 2016	-	341,159	60,593	-	401,752
Charge for the year	-	81,333	21,925	-	103,258
At 31 August 2017	-	422,492	82,518	-	505,010
Net book value					
At 31 August 2017	500,000	1,957,464	112,004	-	2,569,468
At 31 August 2016	500,000	1,914,337	128,519	42,204	2,585,060

13. Debtors

	2017 £	2016 £
Trade debtors	-	3,790
Other debtors	16,311	15,014
Prepayments and accrued income	20,355	10,611
	36,666	29,415

14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	55,157	42,818
Other taxation and social security	42,863	41,015
Accruals and deferred income	34,825	79,514
	132,845	163,347

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14. Creditors: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	30,920	63,083
Resources deferred during the year	18,740	30,920
Amounts released from previous years	(30,920)	(63,083)
Deferred income at 31 August 2017	<u>18,740</u>	<u>30,920</u>

Deferred income relates to amounts received in advance for pupil premium and for future events.

15. Financial instruments

	2017 £	2016 £
Financial assets measured at amortised cost	<u>186,027</u>	<u>313,858</u>
Financial liabilities measured at fair value	484,000	569,000
Financial liabilities measured at amortised cost	<u>71,242</u>	<u>91,412</u>
	<u>555,242</u>	<u>660,412</u>

Financial assets measured at amortised cost comprise cash, trade debtors, accrued income and other debtors.

Financial liabilities measured at fair value relate to the pension deficit.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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16. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted general fund	-	123,359	(105,925)	-	-	17,434
SCITT designated fund	170,689	267,800	(312,907)	-	-	125,582
	<u>170,689</u>	<u>391,159</u>	<u>(418,832)</u>	<u>-</u>	<u>-</u>	<u>143,016</u>
Restricted funds						
General Annual Grant (GAG)	29,402	1,121,359	(1,177,142)	(28,775)	-	(55,156)
Other EFA grants	-	138,778	(138,778)	-	-	-
Other restricted funds	-	16,720	(16,720)	-	-	-
Pension reserve	(569,000)	-	(68,000)	-	153,000	(484,000)
	<u>(539,598)</u>	<u>1,276,857</u>	<u>(1,400,640)</u>	<u>(28,775)</u>	<u>153,000</u>	<u>(539,156)</u>
Restricted fixed asset funds						
Voluntary fixed assets	2,585,060	-	(103,258)	87,666	-	2,569,468
Donations	-	15,000	-	(15,000)	-	-
DfE / EFA capital grants	36,066	7,825	-	(43,891)	-	-
	<u>2,621,126</u>	<u>22,825</u>	<u>(103,258)</u>	<u>28,775</u>	<u>-</u>	<u>2,569,468</u>
Total restricted funds	<u>2,081,528</u>	<u>1,299,682</u>	<u>(1,503,898)</u>	<u>-</u>	<u>153,000</u>	<u>2,030,312</u>
Total of funds	<u>2,252,217</u>	<u>1,690,841</u>	<u>(1,922,730)</u>	<u>-</u>	<u>153,000</u>	<u>2,173,328</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted general fund	51,870	100,165	(163,976)	11,941	-	-
SCITT designated fund	136,889	405,000	(359,259)	(11,941)	-	170,689
	<u>188,759</u>	<u>505,165</u>	<u>(523,235)</u>	<u>-</u>	<u>-</u>	<u>170,689</u>
Restricted funds						
General Annual Grant (GAG)	57,078	1,140,888	(1,114,172)	(54,392)	-	29,402
Other EFA grants	-	130,293	(130,293)	-	-	-
Other restricted funds	-	27,222	(27,222)	-	-	-
Pension reserve	(242,000)	-	(19,000)	-	(308,000)	(569,000)
	<u>(184,922)</u>	<u>1,298,403</u>	<u>(1,290,687)</u>	<u>(54,392)</u>	<u>(308,000)</u>	<u>(539,598)</u>
Restricted fixed asset funds						
Voluntary fixed assets	2,250,667	-	(97,585)	431,978	-	2,585,060
Donations	-	21,000	-	(21,000)	-	-
DfE / EFA capital grants	384,861	7,791	-	(356,586)	-	36,066
	<u>2,635,528</u>	<u>28,791</u>	<u>(97,585)</u>	<u>54,392</u>	<u>-</u>	<u>2,621,126</u>
Total restricted funds	<u>2,450,606</u>	<u>1,327,194</u>	<u>(1,388,272)</u>	<u>-</u>	<u>(308,000)</u>	<u>2,081,528</u>
Total of funds	<u>2,639,365</u>	<u>1,832,359</u>	<u>(1,911,507)</u>	<u>-</u>	<u>(308,000)</u>	<u>2,252,217</u>

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

Restricted General Funds - These funds represent grants received for the Academy's operational activities and development and the related expenditure. The pension reserve relates to the Academy's share of the deficit to the Local Government Pension Scheme administered by Hampshire County Council Pension Fund. Further information can be found in note 21 of the financial statements regarding this balance. The General Annual Grant (GAG) represents the core educational funding for the Academy from the EFA.

Restricted Fixed Asset Funds - These funds relate to land, buildings and other fixed assets which are owned or leased by the Academy and used in accordance with their charitable objects. These funds also represent grants which have been received by the DfE, EFA and other private sponsors to carry out works of a capital nature which are to be used for the charitable objects of the charity.

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16. Statement of funds (continued)

Unrestricted Funds - Represents income generated by the Academy and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

SCITT Designated Fund – The Academy as the single legal entity holds accreditation for the South Coast SCITT (School Centred Initial Teaching Training). Income is received from trainees via tuition fees and expenditure is approved by the Directors of the South Coast SCITT.

Transfers relate to capital items which have been, purchased out of the unrestricted funds and GAG.

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	-	-	2,569,468	2,569,468
Current assets	143,016	77,689	-	220,705
Creditors due within one year	-	(132,845)	-	(132,845)
Provisions for liabilities and charges	-	(484,000)	-	(484,000)
	<u>143,016</u>	<u>(539,156)</u>	<u>2,569,468</u>	<u>2,173,328</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,585,060	2,585,060
Current assets	170,689	192,817	36,066	399,572
Creditors due within one year	-	(163,415)	-	(163,415)
Provisions for liabilities and charges	-	(569,000)	-	(569,000)
	<u>170,689</u>	<u>(539,598)</u>	<u>2,621,126</u>	<u>2,252,217</u>

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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(231,889)	(79,148)
Adjustment for:		
Depreciation charges	103,258	97,585
Dividends, interest and rents from investments	-	(227)
Increase in debtors	(7,251)	(3,021)
(Decrease)/increase in creditors	(30,502)	29,617
Capital grants from DfE and other capital income	(22,825)	(28,791)
Defined benefit pension scheme cost less contributions payable	57,000	11,000
Defined benefit pension scheme finance cost	11,000	8,000
Net cash (used in)/provided by operating activities	(121,209)	35,015

19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	184,039	370,089
Total	184,039	370,089

20. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy.
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

21. 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 the Hampshire County Council Pension Fund. 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.

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21. Pension commitments (continued)

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

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 £106,576 (2016 - £77,273).

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

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21. 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 £66,005 (2016 - £81,000), of which employer's contributions totalled £45,998 (2016 - £61,000) and employees' contributions totalled £20,007 (2016 - £20,000). The agreed contribution rates for future years are 13.2% for employers and 5.5% for employees.

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

As described above the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.50 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (RPI)	3.10 %	3.00 %
Inflation assumption (CPI)	2.00 %	1.90 %

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	24.0	24.6
Females	27.0	26.4
Retiring in 20 years		
Males	26.0	26.7
Females	29.3	28.7

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21. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	540,396	403,704
Corporate bonds	9,713	12,816
Government bonds	218,984	187,256
Property	57,395	52,688
Cash and other liquid assets	26,490	37,024
Other	30,022	18,512
Total market value of assets	<u>883,000</u>	<u>712,000</u>

The actual return on scheme assets was £153,000 (2016 - £308,000 loss).

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

	2017 £	2016 £
Current service cost	(121,000)	(72,000)
Interest on net defined benefit liability	(11,000)	(8,000)
Total	<u>(132,000)</u>	<u>(80,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,281,000	763,000
Current service cost	121,000	72,000
Interest cost	26,000	29,000
Employee contributions	20,000	20,000
Actuarial (gains)/losses	(94,000)	401,000
Benefits paid	13,000	(4,000)
Closing defined benefit obligation	<u>1,367,000</u>	<u>1,281,000</u>

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21. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	712,000	521,000
Interest income	15,000	21,000
Actuarial losses	59,000	93,000
Employee contributions	20,000	20,000
Benefits paid	13,000	(4,000)
Employer contributions	64,000	61,000
	<u>883,000</u>	<u>712,000</u>
Closing fair value of scheme assets	<u>883,000</u>	<u>712,000</u>

The pension contributions can be reconciled to those shown under Note 9 as follows:

- £106,576 contributions for TPS
- £45,998 contributions for LGPS
- £57,000 LGPS pension scheme staff movement
- £18,025 LGPS yearly contribution.

22. 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	3,408	3,840
Between 1 and 5 years	9,430	12,838
Total	<u>12,838</u>	<u>16,678</u>

23. 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.

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24. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Barns Education Services - a company owned by the spouse of Angela Barnes (Officer of the Academy).

The Academy purchased services totalling £10,055 (2016: *£nil*) during the period. There are no amounts outstanding at 31 August 2017 (2016: *£nil*).

25. Agency arrangements

The Academy administers the disbursement of bursaries in relation to the SCITT. In the year, the Academy received £54,000 from the National College for Teaching & Leadership. The Academy disbursed £55,883 of this amount to trainee teachers, with £1,883 recognised in other debtors. The balances have been netted off to eliminate the income and expenditure relating to this agency arrangement.