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**BRANSTON JUNIOR ACADEMY**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**



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**BRANSTON JUNIOR ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

Mr A Plant  
Mr S Telfer  
Mr R Openshaw

**Governors**

Mr S Hennegan (resigned 31 August 2016)  
Mr S Harris  
Mrs B Cucksey  
Mr M Adams (resigned 31 August 2016)  
Miss L Perkins  
Miss A Kisby  
Mr M Pursey (appointed 6 July 2016)  
Mrs J Whitehouse  
Mrs R Shaw, Head Teacher and Accounting Officer  
Mr A Plant, Chair (resigned 31 August 2016)  
Mr S Telfer, Vice Chair  
Mr R Openshaw, Chair of Governors (appointed 1 September 2016)

**Senior management team**

Mrs R Shaw, Head Teacher  
Miss L Perkins, Deputy Head  
Mrs J Whitehouse, School Business Manager

**Company name**

Branston Junior Academy

**Principal and registered office**

Station Road, Lincoln, LN4 1LH

**Company registered number**

08131708

**Independent auditors**

Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, Lincolnshire, LN1 1XW

**Bankers**

Lloyds Bank PLC, 202 High Street, Lincoln, LN5 7AP

**Solicitors**

Wilkin Chapman LLP, The Maltings 11-15, Brayford Wharf East, Lincoln, LN5 7AY

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The Trust operates as an Academy for pupils aged 7-11 serving the catchment area of Branston and surrounding areas. It has a pupil capacity of 180 and had a roll of 152 on school census at August 2015.

**Structure, governance and management**

**a. CONSTITUTION**

The academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Governors of Branston Junior Academy are also the directors of the charitable company for the purpose of company law. The charitable company is known as Branston Junior Academy.

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

**b. MEMBERS' LIABILITY**

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

**c. GOVERNORS' INDEMNITIES**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £1,000,000.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

Governors nominated should as far as reasonably possible be from the community, parents at the school or elected staff representatives. All vacancies are advertised on the website or in the school newsletters. If ballots are required, nominees submit appropriate supporting text, ballot forms are sent out to each parent or carer with clear instruction, situation of ballot box and submission date for final count. Parents are elected for a four year period, as are three staff representatives.

All governors can nominate co-optees if and when a need is established by the full body. The following structure and procedures are implemented as presented in the Academy articles of association.

The governors may appoint as many governors as they deem appropriate with a minimum of 3 governors save that there shall be no more than three employees of the Academy Trust (excluding the head teacher) appointed as governors.

The head teacher shall be treated for all purposes as being an ex officio governor.

(i) Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he is elected.

(ii) The governing body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of parent governors which is contested shall be held by secret ballot.

(iii) The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

(iv) Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

(v) The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

(vi) In appointing a parent governor the governing body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

**CO-OPTED GOVERNORS**

(i) The governors may appoint up to 5 co-opted governors. A 'co-opted governor' means a person who is appointed to by a governor by being co-opted by Governors who have not themselves been so appointed. The governors may not co-opt an employee of the Academy Trust as a co-opted governor if the number of governors who are employed by the Academy Trust would thereby exceed three (including the head teacher).

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**APPOINTMENT OF ADDITIONAL GOVERNORS**

The Secretary of State may give a warning notice to the governors where he is satisfied:-

- i) that the standards of performance of pupils at the Academy are unacceptably low, or
- ii) that there has been a serious breakdown in the way the Academy is managed or governed, or
- iii) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purpose of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the office setting out:-

- a) the matters referred to in Article 60,
- b) the action which he requires the governors to take in order to remedy those matters, and
- c) the period within which that action is to be taken by the governors ('the compliance period').

The Secretary of State may also appoint such additional governors where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in the Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of foregoing the grade, the grade received by St John's Primary Academy shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such further governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any additional or further governors in accordance with Articles 62, 62A or 63, any governors appointed under Article 50 and holding office immediately preceding the appointment of such governors, shall resign immediately and the members' power to appoint governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the additional or further governors.

**TERM OF OFFICE**

The term of office for any governor shall be 4 years, save that this time limit shall not apply to the head teacher. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

A new governor will attend a briefing with the head teacher and chair of governors. The governor will be given a full tour of the school and such documents and policies as required.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**f. ORGANISATIONAL STRUCTURE**

The governors defined a separation of duties between the governors, head teacher and senior leadership team in agreement with the full governing body, on 17 September 2015.

Decisions regarding staff pay and promotion are made by the Governing Body, usually with input from the Headteacher. Decisions regarding the deployment of staff and the day-to-day running of the school are made by the Headteacher who reports regularly to the Governing Body to ensure they are kept informed. New staff appointments are decided through joint work between the Headteacher and members of the Governing Body. The Budget is set as a result of discussions between the Headteacher, the Senior Leadership Team, the Business Manager and members of the Governing Body, before it is analysed and ratified by the whole Governing Body.

As Branston Junior Academy has a relatively small staff, the Senior Leadership Team is a moveable group – where it comes to usual day-to-day matters, it is invariably the Headteacher and Deputy Headteacher who meet to discuss and decide upon actions. Where the concerns are related to Special Educational Needs, Vulnerable children and/or the deployment of Teaching Assistants, the SENDCo will be involved. Where finance or HR is involved, the Business Manager becomes part of the group. The actions for the weekly meetings between the Headteacher and Deputy Headteacher are recorded.

**g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The pay and remuneration of the headteacher and other senior management personnel is set in accordance with the academy's pay and staffing policy.

**h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

We are not a federated organisation.

There are no relationships with related parties and any other charities/ companies/ organisations with which it cooperates in the pursuit of charitable activities.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

Our Mission Statement is:

"One building, one school, one voice, one vision"

Inspire:	We inspire your child to enjoy and succeed throughout their learning journey.
Explore:	We enable your child to meet exciting opportunities, be part of the shared adventure and have the confidence to try something new.
Nurture:	We generate an environment where emotional support is essential, allowing your child to achieve their full potential.

"One foundation, one community, one journey, one goal ... Learning is a habit for Life!"

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**GOVERNORS' REPORT (continued)**  
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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

Teaching, Learning and Assessment

1. To establish the new 'Assessment without Levels' system at Branston Junior Academy and ensure all pupils, parents and staff understand the new terminology and system.
2. To develop staff skills, knowledge and understanding in 'supporting children with specific difficulties in Literacy'.
3. To monitor the impact of 14/15 Phonics training (and budget expenditure) by examining practice in 15/16.
4. To embed the effective use of Governor monitoring when analysing internal and external data.
5. To monitor the consistent and effective use of the 14/15 amended Marking Policy.
6. To ensure differentiation is consistently present during Foundation Subjects, where appropriate.
7. To develop effective provision for longer writing sessions.
8. To continue to develop effective ways to support Pupil Premium (and other vulnerable) children.
9. To ensure a consistently high standard of work in all books.
10. To increase the frequency and duration of reading activities, so that children are reading "widely and often across all subjects"; with a particular emphasis on encouraging boys.
11. To continue to develop effective intervention programmes and other support systems for relevant children.

Personal Development, Behaviour and Welfare

1. To continue to develop parental skills, knowledge and understanding in e-safety.
2. To introduce the effective use of a regular on-site Counselling service for pupils, parents, families and staff, at Branston Junior Academy.
3. To ensure consistency in high standards of behaviour and the use of effective positive behaviour strategies throughout the school – particularly in light of new staff at the school.
4. To maintain effective Y2/3 Transition activities and continue to develop those for Y6/7.
5. To maintain a clear 'vision' for the teaching of PE and the subsequent spending of 'Sports Premium' money.
6. To ensure the school maintains a professional working atmosphere at all times.

Leadership and Management

1. To explore 'value for money' with regards to: all buy-backs, all admin suppliers and lunch provider.
2. To create and 'live' a new / amended vision for the pupils (all stakeholders) of Branston Junior Academy.
3. To develop the leadership capacity of the school, in light of the DHT leaving due to promotion and other staff 'moving up' to new positions.
4. To develop all Subject Leader roles to ensure that we are aware of the most up-to-date pedagogy and thinking; and can provide accurate and effective information and evidence on practice and policy at Branston Junior Academy.
5. To investigate improvements to pupil toilet facilities at Branston Junior Academy – potentially for 16/17 budget.
6. To investigate improvements to teaching spaces – potentially for 16/17 budget.
7. To begin to develop effective peer-to-peer support systems and procedures. (HT's & GB's of schools in newly formed partnership).
8. To develop a 'team approach' to the self-evaluation of Teaching, Learning and Assessment.



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**GOVERNORS' REPORT (continued)**  
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OFSTED (June 2013)

Increase the proportion of teaching that is outstanding by:

- Extending opportunities for teachers to plan lessons jointly across classes so that all teachers can benefit from the very best practice.
- Ensuring that more lessons provide opportunities for pupils to learn through exciting and engaging activities.
- Providing more opportunities in lessons for pupils to find things out for themselves and to work independently.

Improve the progress that pupils make in Year 3 by:

- Making sure that the activities teachers plan, match precisely the next steps in learning for the youngest pupils in school.
- Developing a programme of learning that is appropriate for pupils when they move to the school in Year 3.

**c. PUBLIC BENEFIT**

In line with the requirement of the SORP, the governors can confirm they have had due regard to the definition of 'public benefit' and are proud to define them within the school context.

**Strategic report**

**a. ACHIEVEMENTS AND PERFORMANCE**

This is a 'good' academy; as graded by OFSTED in June 2013. It is one in which attainment is above average and all groups of pupils achieve well. Pupils enjoy coming to the academy and benefit from an attractive, welcoming and supportive learning environment.

OFSTED's summary stated that:

- Pupils achieve well and attainment at the end of Year 6 is above average. They make good progress, with the best progress being made between Y4 and Y6.
- Pupils do particularly well in English and this is reflected in rising results in national tests at the end of Y6.
- Teaching in all classes is good and some teaching is outstanding.
- Behaviour in lessons is always good. Pupils are confident, polite and courteous. They enjoy their lessons and are well prepared for the next stage of their education.
- Leadership and management are good, and leaders have brought about improvements to teaching and the progress that pupils make.
- The head teacher, governors and senior leaders have high expectations and set high standards. They are well supported by a staff team that understands what they want to achieve and shares in their determination to succeed.
- Exciting topics provide learning opportunities that engage and motivate pupils.
- Pupils' spiritual, moral, social and cultural development is strength of the school.

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**GOVERNORS' REPORT (continued)**  
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We are proud of all the achievements of each one of our pupils and staff. In particular, we offer our congratulations for the following:

Sport:

The football and netball teams have competed in local leagues and sports festivals, playing against children from other schools. In recognition of the excellent range of sport and other physical activity available at the academy, it was awarded the Active Mark in 2009 and we are currently seeking new achievements to secure, as we believe the range of excellent sporting activities we offer is a success of the school.

Dance, Drama, Music and Filming:

Our Creative Arts activities have involved the children in a range of competitive and non-competitive events. Every year some of our pupils enter the Lincoln Music and Drama Festival as part of a band, a choir or a drama group; and we have several trophies and certificates to show how well we have done! We regularly hold concerts so that parents / carers can see just how talented we are! The quality of the Arts provision in the Academy has led to us being awarded the Arts Mark Gold in 2009 and again in 2012.

All children learn how to use animation software and every year we enter the LAFTAs, (Lincolnshire School Films Award). In 2009, several films were nominated for the LAFTA's and in 2010, one of our films won an award for 'best in category' and 'best film overall'. In 2011 three of our films were nominated and two of them won awards! Our 2014 film entries won us a free visit to RAF Cosford, for the whole of our Year 6 cohort! Another of our 2014 entries was nominated for an award at the 2015 LAFTAs.

Other Awards:

As a culmination of many activities and events over the years, the Academy has been awarded the Healthy Schools Award in 2009, the 'Food for Life' Bronze Award in 2011 and the Eco Schools Bronze Award in 2010.

Working with the Community:

The children love to support the community, be it locally - with school and community events; or nationally – by supporting national charities etc. Many activities take place within the school, to promote the children's awareness of the international community, of which they are a valuable member, and as such the school was awarded the Full International School's Award (Foundation Level) in 2011 and again in 2014. We are very proud of the superb international work that the children and staff of Branston Juniors gets involved in.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**a. KEY PERFORMANCE INDICATORS**

The governors are pleased to present achievement and performance context and outcomes in all aspects of school provision.

Attendance for the year

Attendance	96.73%
Authorised Absences	3.25%
Unauthorised Absences	0.02%

Pupil provision

Total pupils in the year to 31st August 2016 is

Teacher	Year Group	Number in Year Group
Mr Simpson	Y5/6	Year 6: 38
Miss Perkins	Y5/6	Year 5: 38
Miss Tysoe	Y5/6	
Mrs Simpson / Mrs James	Y3/4	Year 4: 31
Miss Brinded	Y3/4	Year 3: 33
Miss Kisby	Y3/4	

Academic results / SATs results for 2016

Our Year 6 pupils take part in the National SATs tests for Reading, Maths and SPAG (Spelling, Punctuation and Grammar), every year. The children's writing is also assessed by their Class Teachers and in 2016 (and previously in 2012) these assessments were officially moderated as per usual guidelines.

In 2016 the new SATs tests were introduced, which means that children's attainment is no longer measured per levels. The children are now given a 'scaled score' for Reading, Maths and SPAG, which correlates with their raw score. A scaled score of 100 or above is classed as 'age expected'. A scaled score of below 100 means the child has not achieved 'age expected'.

The average scaled score of our reading was 103, compared to the national figure of 103. Our average scaled score for Maths was 105, compared to national of 103 and our average scaled score for SPAG was 105, compared to national of 104.

For 2016, the percentage of children achieving age expected is:

Subject	Branston Junior Academy	National
Reading, Writing & Maths combined	62%	53%
Reading	68%	66%
Writing	76%	74%
Maths	84%	70%
Spelling, Punctuation & Grammar (SPaG)	78%	72%

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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Achievement and Performance

Exclusions: 6 sessions (3 days) recorded this year  
Racist incidents: 0 recorded this year  
Bullying incidents: 0 recorded this year

**b. GOING CONCERN**

After making appropriate enquires, the governors have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing 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 POSITION**

Financial report for the period

The majority of the Academy's income is from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31st August 2016 and the associated expenditure are shown in the statement of financial activities.

At 31st August 2016, the net book value of fixed asset was £1,544,661. The assets were used exclusively for providing education and the associated services to the students of the Academy.

Financial position

The Academy held fund balances at 31st August 2016 of £1,376,520, comprising £177,750 of restricted funds, a pension reserve deficit of £410,000, £64,109 of unrestricted general funds and £1,544,661 in a fixed asset fund.

Funds in deficit

The Academy's non-teaching staff is entitled to membership of the Local Government Pension Scheme. The Academy's share of the scheme assets is currently assessed to be less than its liabilities in the scheme and consequently the Academy's balance sheet shows a net liability of £410,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

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**GOVERNORS' REPORT (continued)**  
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**b. RESERVES POLICY**

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the trustees discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The governors have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure (trustees to review), approximately £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £64,109.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £175,750.

**c. INVESTMENT POLICY**

The school holds no investments other than its capital balance.

**d. PRINCIPAL RISKS AND UNCERTAINTIES**

The following "risk areas" are identified by the governors as follows:-

- Site health and safety
- Fire safety
- Disability access
- Critical Incident Policy/Management Plan
- Whistle blowing policy
- Behaviour and Anti-bullying policy
- Educational Visits Policy
- Finance policy
- Safeguarding and Child Protection policy
- Staff handbook
- First Aid

These areas of risk are regularly reviewed by all relevant staff, the senior management team, the governing body and by both the Standards Committee and Resources Committee. Any changes to risk policies must be approved by governors and signed off.

The Safeguarding and Child Protection Policy, and both the fire safety and first aid risks require full training certification.

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**GOVERNORS' REPORT (continued)**  
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The following finance policies and registers were adopted by the Academy this year. They are in place and available, and are reviewed annually:

- Register of business interests register
- Best value statement
- Charging and remissions policy
- Financial procedures
- Whistle blowing policy
- Five year finance model
- School Development Plan
- Statement of internal control

The governors ensure that the school completes a full five year plan and models future expenditure and pupil numbers. The Resources Committee met 6 times during a financial year. Budgets are set at a resources committee meeting and ratified by the full governing body annually. All finance meetings are fully documented and minutes sent to all governors. The trust appointed the services of a Responsible Office from 31st October 2013 who reviews financial practice throughout the year and report directly to the trustees. A full external audit is carried out by Streets.

The principal financial risks to the trust, comprises sudden change in expected pupil numbers (EFA GAG Income), cash and short term deposits, increase in bought back services, energy costs, reducing LACSEG payments, company failure debt and inappropriate behaviour outside agreed procedures.

The trust does not use any funding streams for speculative purposes.

**Risk Management**

The trust makes every reasonable effort to anticipate changes in the patterns of pupil numbers, making forward predictions from Year 3 upwards and Reception to Year 2 in conjunction with Branston Infant School.

**Capital management/Liquidity risks**

The Trust Resources Committee reviews the schools on-going liquidity risks annually as part of the planning process and on an ad hoc basis. The committee considers short-term requirements against available sources of funding taking into account forecast cash flow.

Monthly reconciliation of bank statements by the School Administrator ensures that liquidity risks are known and can be accepted.

The trust has selected a current account with deposition account which offers 0.375% per annum return.

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**GOVERNORS' REPORT (continued)**  
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Credit Risk

Currently the academy does not enter into credit agreements and the head teacher and deputy hold a debit card for use with Barclays Bank. The photocopier is leased as are the 2 drinking water stations.

Debt risk

This is extremely low. When the debt is deemed irrecoverable, the allowance account is written off against the underlying receivable.

Other financial assets and Cash balances on site

The trust may hold significant cash balances as part of its normal operations, with the amount of cash held at any point reflecting the level of cash flow generated by the school. Banking occurs when large intakes for visits, trips or collections; hot school meal orders and sale of school sweatshirts, rucksacks and water bottles have been received and insurance cover determines what balances may be securely held in school.

Acute Energy Costs and poor weather

The trust purchases oil via ESPO contracted supplier, the scale of their purchases ensures that they are the most competitive rates available and their environmental policies ensure that the sources are ethical. Cold winters have a considerable effect on the costs and as electricity costs have increased the academy has used an agent to source the best tariff on a fixed term basis with effect from October 2013.

Capital assets

The building is well maintained and the Head Teacher and the governor responsible for Health & Safety inspects and reports regularly to the trustees. The Caretaker reports directly to the head teacher on maintenance issues which in turn are reported termly to trustees/governors. The academy purchases the Property Services buy back to support building maintenance. The trust purchases advice and support through Judicium on policies and issues with regard to Health & Safety.

Theft, vandalism and fire

The academy has comprehensive insurance against fire, vandalism and theft. Access control and well maintained fencing ensures the sites security to a good standard. The academy contract Static Services to act as key holder and attend site after school hours if the alarm is triggered.

Key Financial Performance Indicators Statement

The governors look to minimise and ensure good value for money by competitive tendering and "best value" ordering processes. The funding allocated by the DfE through General Aggregated Grant or Local Authority CSE Grant is intended for expenditure in keeping with the school key objectives. We deliver education and beyond ensuring that performance is a non-profit organisation.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Teaching, Learning and Assessment

1. To continue to embed the robust, regular, accurate and effective use of the AwL/EAZMAG system and ensure that the assessment matches differentiation in planning and in books.
2. To explore and develop ways to keep parents clearly informed about the progress and attainment of their child, throughout the academic year.
3. To examine the effectiveness of homework that is sent out.
4. To monitor staff work/life balance and effectiveness of marking – ensuring written feedback is only used when it will 'move learning on'.

Personal Development, Behaviour and Welfare

1. To continue to develop Y2-3 and Y6-7 transition.
2. To explore ways in which other schools work to improve persistent sporadic absences and persistent lateness.
3. To continue to promote a regular anti-bullying message.
4. To agree a more cohesive ideology and pedagogy for BJA – 'the Branston Way' – and ensure this is understood by all stakeholders, ready for 17/18 launch.
5. To continue to develop the PSHE curriculum.
6. To continue to develop the SMSC curriculum.
7. To continue to explore ways to keep parents informed about school events throughout the academic year.
8. To continue to develop Staff skills, knowledge and understanding with regards to specific aspects of safeguarding.

Leadership and Management

1. To develop more effective CPD and JPD activities for staff, including creating individualized 'career plans'.
2. To investigate the impact of leadership styles in light of greater autonomy (due to academisation), the need for greater collaboration and a continued reduction in external support services. (MA Dissertation).
3. To continue to develop robustness and effectiveness of 'Peer Review' and other collaborative partnerships.
4. To ensure consistency across the whole school and to support new and existing staff in whole school practices by developing 'The Branston way'.



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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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Outcomes for Pupils

1. To continue to develop strategies to support individual children, particularly disadvantaged children, including collaboration with other schools; especially in light of ever-reducing support systems being available.
2. To achieve 'secure' attainment in Literacy skills, across the school.
3. To achieve 'secure' attainment in Numeracy skills, across the school.
4. To explore the use of the NAHT 'Primary Futures' scheme to raise aspirations in the children and to make links between future goals and current learning.
5. To continue to develop provision for 'The Arts', throughout the school.
6. To continue to develop IT provision within the school.
7. To continue to develop the school grounds.
8. To continue to develop effective International Links.

Engagement with Families and Community

1. To investigate ways of increasing the use of school facilities for the benefits of the local community.
2. To investigate the setting up of a Parent Fundraising Group and having a more structured timetable of events to raise money for specific projects.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's Equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

**FUNDS HELD AS CUSTODIAN**

The academy holds no funds as Custodian Trustee on behalf of others.

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

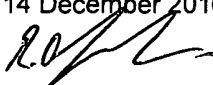
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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that 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 Governors in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the board of Governors as the company directors, on 14 December 2016 and signed on its behalf by:



**Mr R Openshaw**  
**Chair of Governors**

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Branston Junior Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors 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 Governors has formally met 6 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr S Hennegan	5	6
Mr S Harris	3	6
Mrs B Cucksey	5	6
Mr M Adams	3	6
Miss L Perkins	5	6
Miss A Kisby	5	6
Mr M Pursey	1	1
Mrs J Whitehouse	5	6
Mrs R Shaw, Head Teacher and Accounting Officer	6	6
Mr A Plant, Chair	4	6
Mr S Telfer, Vice Chair	4	6
Mr R Openshaw, Chair of Governors	5	6

**Governance reviews:**

- The trustees carried out continuous monitoring and self-evaluation on itself.
- New governors received inductions with ongoing training through the year.
- Internal pupil data and Y6 SATs was analysed and reviewed.
- The SDP was reviewed on a regular basis.
- A governor attended relevant training in respect of Government PE premium funding.

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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The Resources committee is a sub-committee of the main board of Governors. Its purpose is to ensure financial regularity.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr A Plant, Chair	8	9
Mrs R Shaw, Head Teacher and Accounting Officer	9	9
Mr S Harris	6	9
Mr S Hennegan	4	9
Mr R Openshaw	8	9
Miss L Perkins	7	9
Mrs J Whitehouse	8	9

**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Governors 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:

With budgets becoming even tighter the Headteacher and Business Manager have worked hard to evaluate all expenditure – questioning the validity of items and their proposed impact, before agreeing expenditure. As usual the Headteacher and Business Manager have endeavoured to keep closely to the planned budget and where minor discrepancies have arisen, have questioned the reasons for them.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Branston Junior Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of Governors 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 Governors 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of Governors has considered the need for a specific internal audit function and has decided to appoint Mr Adrian Audis as internal auditor.

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

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The auditors/reviewer regularly reports to the Resources Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Governors on 14 December 2016 and signed on their behalf, by:



**Mr R Openshaw**  
**Chair of Governors**



**Mrs R Shaw, Head Teacher and Accounting Officer**  
**Accounting Officer**

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Branston Junior Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 2015.

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 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



**Mrs R Shaw**  
**Accounting Officer**

Date: 14/12/2016

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors (who act as trustees of Branston Junior Academy 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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 14 December 2016 and signed on its behalf by:



**Mr R Openshaw**  
**Chair of Trustees**

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRANSTON JUNIOR ACADEMY**

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We have audited the financial statements of Branston Junior Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

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.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial



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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRANSTON JUNIOR ACADEMY**

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year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Linda Lord (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

Tower House  
Lucy Tower Street  
Lincoln  
Lincolnshire  
LN1 1XW

Date: 15 December 2016

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BRANSTON  
JUNIOR ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 8 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Branston Junior Academy during the year 1 September 2015 to 31 August 2016 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 Branston Junior Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston Junior Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Branston Junior Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BRANSTON JUNIOR ACADEMY'S ACCOUNTING OFFICER AND  
THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Branston Junior Academy's funding agreement with the Secretary of State for Education dated 5 July 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

## 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Linda Lord*

Linda Lord (Senior statutory auditor)

for and on behalf of

### **Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

Tower House  
Lucy Tower Street  
Lincoln  
Lincolnshire  
LN1 1XW

Date: *15 December 2016*

**BRANSTON JUNIOR ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	9,184	-	5,586	14,770	38,562
Charitable activities	3	-	688,578	-	688,578	726,258
Other trading activities	4	6,044	8,242	-	14,286	20,949
Investments	5	327	-	-	327	673
<b>TOTAL INCOME</b>		<b>15,555</b>	<b>696,820</b>	<b>5,586</b>	<b>717,961</b>	<b>786,442</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		12,393	699,538	40,779	752,710	796,338
<b>TOTAL EXPENDITURE</b>	6	<b>12,393</b>	<b>699,538</b>	<b>40,779</b>	<b>752,710</b>	<b>796,338</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	15	3,162	(2,718)	(35,193)	(34,749)	(9,896)
		-	5,586	(5,586)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		3,162	2,868	(40,779)	(34,749)	(9,896)
Actuarial losses on defined benefit pension schemes	19	-	(112,000)	-	(112,000)	(5,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>3,162</b>	<b>(109,132)</b>	<b>(40,779)</b>	<b>(146,749)</b>	<b>(14,896)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		60,947	(123,118)	1,585,440	1,523,269	1,538,165
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>64,109</b>	<b>(232,250)</b>	<b>1,544,661</b>	<b>1,376,520</b>	<b>1,523,269</b>

The notes on pages 29 to 46 form part of these financial statements.

**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08131708**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	11		1,544,661		1,585,440
<b>CURRENT ASSETS</b>					
Stocks	12	940		1,065	
Debtors	13	27,261		48,963	
Cash at bank and in hand		254,729		213,171	
		<u>282,930</u>		<u>263,199</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(41,071)		(47,370)	
<b>NET CURRENT ASSETS</b>			<u>241,859</u>		<u>215,829</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,786,520</u>		<u>1,801,269</u>
Defined benefit pension scheme liability	19		(410,000)		(278,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,376,520</u></u>		<u><u>1,523,269</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	177,750		154,882	
Restricted fixed asset funds	15	1,544,661		1,585,440	
Restricted income funds excluding pension liability		1,722,411		1,740,322	
Pension reserve		(410,000)		(278,000)	
Total restricted income funds			<u>1,312,411</u>		<u>1,462,322</u>
Unrestricted income funds	15		<u>64,109</u>		<u>60,947</u>
<b>TOTAL FUNDS</b>			<u><u>1,376,520</u></u>		<u><u>1,523,269</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:



**Mr R Openshaw**  
**Chair of Governors**

The notes on pages 29 to 46 form part of these financial statements.

**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<u>35,645</u>	<u>33,783</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		327	673
Purchase of tangible fixed assets		-	(19,197)
Capital grants from DfE/EFA		<u>5,586</u>	<u>5,721</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>5,913</u>	<u>(12,803)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>41,558</b>	<b>20,980</b>
Cash and cash equivalents brought forward		<u>213,171</u>	<u>192,191</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>254,729</u></u>	<u><u>213,171</u></u>

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Branston Junior Academy constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Branston Junior Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Branston Junior Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Governors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS.

**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.

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**BRANSTON JUNIOR ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 there is certainty of receipt and it is measurable.

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

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

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

Leasehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

**1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 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.

**1.8 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.

**1.9 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Operating leases**

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

**1.11 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.

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.13 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.

**1.14 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The academy 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**1.16 Financial instruments**

The academy only has financial assets and liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	9,184	-	-	9,184	32,841
Capital grants	-	-	5,586	5,586	5,721
	<u>9,184</u>	<u>-</u>	<u>5,586</u>	<u>14,770</u>	<u>38,562</u>
Total donations and capital grants	9,184	-	5,586	14,770	38,562

In 2015, of the total income from donations and capital grants, £32,841 was to unrestricted funds and £5,721 was to restricted funds

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	583,465	583,465	601,325
Pupil Premium	-	47,514	47,514	48,956
Other DfE/EFA Grants	-	8,705	8,705	8,765
	<u>-</u>	<u>639,684</u>	<u>639,684</u>	<u>659,046</u>
<b>Other government grants</b>				
Local Authority Grants	-	27,441	27,441	67,212
	<u>-</u>	<u>27,441</u>	<u>27,441</u>	<u>67,212</u>
<b>Other funding</b>				
Other income	-	21,453	21,453	-
	<u>-</u>	<u>21,453</u>	<u>21,453</u>	<u>-</u>
	<u>-</u>	<u>688,578</u>	<u>688,578</u>	<u>726,258</u>

In 2015, of the total income from charitable activities, £nil was to unrestricted funds and £726,258 was to restricted funds.

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	363	-	363	405
Catering income	-	8,242	8,242	10,757
Sale of goods	1,614	-	1,614	2,004
Other income	4,067	-	4,067	7,783
	<u>6,044</u>	<u>8,242</u>	<u>14,286</u>	<u>20,949</u>

In 2015, of the total income from other trading activities, £10,192 was to unrestricted funds and £10,757 was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	327	-	327	673

In 2015, of the total investment income, £673 was to unrestricted funds and £nil was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	431,984	-	49,115	481,099	528,654
Support costs	90,334	12,800	168,477	271,611	267,684
	<u>522,318</u>	<u>12,800</u>	<u>217,592</u>	<u>752,710</u>	<u>796,338</u>

In 2016, of the total expenditure, £12,393 was to unrestricted funds and £740,318 was to restricted funds.

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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2016 £</b>	<i>Total funds 2015 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	356,480	393,162
National insurance	24,201	23,786
Pension cost	53,313	59,017
Educational supplies	15,305	22,700
Staff development	6,429	6,485
Educational consultancy	17,960	10,912
Other costs	7,411	12,592
	<u>481,099</u>	<u>528,654</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	64,137	66,927
National insurance	4,147	4,506
Pension cost	20,040	23,774
Depreciation	40,779	39,662
Pension income	11,000	10,000
Technology costs	12,323	4,913
Maintenance of premises and equipment	26,761	21,174
Cleaning	8,938	3,413
Rent and rates	3,426	3,261
Energy costs	9,380	11,380
Insurance	15,845	24,746
Operating Leases	5,880	5,223
Catering	12,143	13,447
Other costs	10,842	15,418
Governance costs	25,970	19,840
	<u>271,611</u>	<u>267,684</u>
	<u><u>752,710</u></u>	<u><u>796,338</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. STAFF COSTS**

(a) Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	420,617	460,089
Social security costs	28,348	28,292
Operating costs of defined benefit pension schemes	73,353	82,791
	<u>522,318</u>	<u>571,172</u>

(b) Staff numbers

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

	2016	2015
Teachers	8	10
Admin and Support	16	18
Management	1	1
	<u>25</u>	<u>29</u>

(c) Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

(d) Key Management Personnel

The key management personnel of the charity comprises the governors and senior management team (including the school business manager) as listed on page 1. The total amount of employee benefits (including pension contributions) received by management personnel were £146,000 (2015:145,000).

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**9. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 3 Governors (2015 - 3) in respect of defined benefit pension schemes.

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

		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Mrs R Shaw	Remuneration	<b>50,000-55,000</b>	<i>50,000-55,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>
Mrs J Whitehouse	Remuneration	<b>30,000-35,000</b>	<i>30,000-35,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>
Mr D Manby	Remuneration	<b>NIL</b>	<i>40,000-45,000</i>
	Pension contributions paid	<b>NIL</b>	<i>5,000-10,000</i>
Miss A Kisby	Remuneration	<b>35,000-40,000</b>	<i>30,000-35,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>0-5,000</i>
Miss L Perkins	Remuneration	<b>35,000-40,000</b>	<i>NIL</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>NIL</i>

During the year ended 31 August 2016, expenses totalling £271 (2015 - £320) were reimbursed to 3 Governors (2015 - 2).

**10. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £250 (2015 - £250).



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**11. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015 and 31 August 2016	1,625,000	29,646	18,676	1,673,322
<b>Depreciation</b>				
At 1 September 2015	71,000	7,259	9,623	87,882
Charge for the year	28,400	7,412	4,967	40,779
At 31 August 2016	99,400	14,671	14,590	128,661
<b>Net book value</b>				
At 31 August 2016	1,525,600	14,975	4,086	1,544,661
At 31 August 2015	1,554,000	22,387	9,053	1,585,440

Included in long leasehold property is leasehold land at valuation of £205,000 (2015: £205,000) which is not depreciated.

**12. STOCKS**

	2016 £	2015 £
Finished goods and goods for resale	940	1,065

**13. DEBTORS**

	2016 £	2015 £
Trade debtors	937	1,751
VAT Debtor	2,083	28,247
Other debtors	281	-
Prepayments and accrued income	16,103	11,402
Grants Receivable	7,857	7,563
	27,261	48,963

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	18,195	18,554
Other creditors	15,083	16,885
Accruals and deferred income	7,793	11,931
	<u>41,071</u>	<u>47,370</u>

**15. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	60,947	15,555	(12,393)	-	-	64,109
	<u>60,947</u>	<u>15,555</u>	<u>(12,393)</u>	<u>-</u>	<u>-</u>	<u>64,109</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	69,009	583,465	(512,922)	5,586	-	145,138
Other EFA/DFE	73,458	56,219	(121,820)	-	-	7,857
Government grant	1,433	27,441	(28,874)	-	-	-
Other income	10,982	29,695	(15,922)	-	-	24,755
Pension reserve	(278,000)	-	(20,000)	-	(112,000)	(410,000)
	<u>(123,118)</u>	<u>696,820</u>	<u>(699,538)</u>	<u>5,586</u>	<u>(112,000)</u>	<u>(232,250)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	1,585,440	5,586	(40,779)	(5,586)	-	1,544,661
	<u>1,585,440</u>	<u>5,586</u>	<u>(40,779)</u>	<u>(5,586)</u>	<u>-</u>	<u>1,544,661</u>
Total restricted funds	1,462,322	702,406	(740,317)	-	(112,000)	1,312,411
	<u>1,462,322</u>	<u>702,406</u>	<u>(740,317)</u>	<u>-</u>	<u>(112,000)</u>	<u>1,312,411</u>
Total of funds	1,523,269	717,961	(752,710)	-	(112,000)	1,376,520
	<u>1,523,269</u>	<u>717,961</u>	<u>(752,710)</u>	<u>-</u>	<u>(112,000)</u>	<u>1,376,520</u>

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

**Unrestricted funds:**

General funds- those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These have not been designated for particular purposes.

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**15. STATEMENT OF FUNDS (continued)**

**Restricted funds:**

General Annual Grant (GAG) - made up of a number of different funding streams from the EFA, all of which are to be used to cover the running costs of the academy.

Other EFA grants - represent EFA grants received for specific purposes. Included in other EFA grants is, pupil premium income, grants received for PE & Sports and income received in respect of universal free school meals.

Other Government Grants - represents grants from other government bodies that are received for specific purposes..

Other restricted funds - represent other income received which must be used for specific purposes intended.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

**Restricted fixed asset funds:**

Purchased tangible fixed assets - represents the net book value of fixed assets acquired using GAG income, local authority grants and DFC grants from the EFA.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,544,661	1,544,661	1,585,440
Current assets	64,109	218,821	-	282,930	263,199
Creditors due within one year	-	(41,071)	-	(41,071)	(47,370)
Provisions for liabilities and charges	-	(410,000)	-	(410,000)	(278,000)
	<u>64,109</u>	<u>(232,250)</u>	<u>1,544,661</u>	<u>1,376,520</u>	<u>1,523,269</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(34,749)	(9,896)
<b>Adjustment for:</b>		
Depreciation charges	40,779	39,662
Dividends, interest and rents from investments	(327)	(673)
Decrease/(increase) in stocks	125	(507)
Decrease in debtors	21,702	14,888
Decrease in creditors	(6,299)	(25,970)
Capital grants from DfE and other capital income	(5,586)	(5,721)
Defined benefit pension scheme cost less contributions payable	9,000	12,000
Defined benefit pension scheme finance cost	11,000	10,000
<b>Net cash provided by operating activities</b>	<b>35,645</b>	<b>33,783</b>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	254,729	213,171
<b>Total</b>	<b>254,729</b>	<b>213,171</b>

**19. 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 Lincolnshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £7,401 were payable to the schemes at 31 August 2016 (2015 - £8,701) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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**19. PENSION COMMITMENTS (continued)**

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**

Not less than every four years 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to ££40,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://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 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 2016 was £31,000 (2015 - £35,000), of which employer's contributions totalled £24,000 (2015 - £27,000) and employees' contributions totalled £7,000 (2015 - £8,000). The agreed contribution rates for future years are 19.9% for employers and various% 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.00 %</b>	<b>3.70 %</b>
Rate of increase in salaries	<b>3.60 %</b>	<b>4.00 %</b>
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	<b>2.60 %</b>

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.2</b>	<b>22.2</b>
Females	<b>24.4</b>	<b>24.4</b>
Retiring in 20 years		
Males	<b>24.5</b>	<b>24.5</b>
Females	<b>26.8</b>	<b>26.8</b>

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

	<b>Fair value at 31 August 2016 £</b>	<i>Fair value at 31 August 2015 £</i>
Equities	<b>217,000</b>	<b>158,000</b>
Debt instruments	<b>37,000</b>	<b>27,000</b>
Property	<b>28,000</b>	<b>26,000</b>
<b>Total market value of assets</b>	<b><u>282,000</u></b>	<b><u>211,000</u></b>

The actual return on scheme assets was £45,000 (2015 - £5,000).

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

	<b>2016 £</b>	<b>2015 £</b>
Current service cost (net of employee contributions)	<b>(33,000)</b>	<b>(39,000)</b>
Net interest cost	<b>(11,000)</b>	<b>(10,000)</b>
<b>Total</b>	<b><u>(44,000)</u></b>	<b><u>(49,000)</u></b>

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**19. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening defined benefit obligation	489,000	431,000
Current service cost	33,000	39,000
Interest cost	19,000	17,000
Contributions by employees	7,000	8,000
Actuarial losses	149,000	3,000
Benefits paid	(5,000)	(9,000)
	<u>692,000</u>	<u>489,000</u>
Closing defined benefit obligation	<u>692,000</u>	<u>489,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	211,000	180,000
Return on plan assets (excluding net interest on the net defined pension liability)	8,000	7,000
Actuarial gains and (losses)	37,000	(2,000)
Contributions by employer	24,000	27,000
Contributions by employees	7,000	8,000
Benefits paid	(5,000)	(9,000)
	<u>282,000</u>	<u>211,000</u>
Closing fair value of scheme assets	<u>282,000</u>	<u>211,000</u>

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	5,880	5,880
Between 1 and 5 years	10,780	16,660
	<u>16,660</u>	<u>22,540</u>
Total	<u>16,660</u>	<u>22,540</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. 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.

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, 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.

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 9.

**23. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.