

Registrar's Copy

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

Members	L Russell C Burton K Rees
Governors	L Russell, Chair ¹ C Burton ¹ K Rees ¹ M Awolola ¹ A Day (appointed 1 September 2015) ¹ D Copping, Accounting Officer ¹ J Casey ¹ H Martin ¹ D Matthieu (resigned 3 September 2016) ¹ ¹ Resources and finance committee
Company registered number	8333159
Company name	Shaw Primary Academy
Principal and registered office	Shaw Primary School Avon Green South Ockendon Essex RM15 5QJ
Company secretary	L Jones
Accounting Officer	D Copping
Senior management team	D Copping, Headteacher C Arnott, Deputy Headteacher
Independent auditors	MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	Lloyds TSB Bank Plc 1-3 Market Place Town Centre Romford Essex RM1 3AA
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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 an academy for pupils aged 4 to 11, serving a catchment in South Ockendon. It has a pupil capacity of 420 and had a roll of 411 in the school census in October 2016. There is also a 52 place nursery which currently has 32 pupils on roll.

Objectives and Activities

a. OBJECTS AND AIMS

Our overall aim is to provide a stimulating environment which enables all children to enjoy learning and reach their individual potential.

Our general aims in relation to learning are:

- to provide a broad, balanced, relevant, stimulating and differentiated curriculum which is accessible to all children;
- to support each pupil in reaching his/her individual potential;
- to enable all children to progress by the use of suitable and flexible structured activities;
- to encourage a high level of concentration through the provision of purposeful activities in an atmosphere of quiet calm;
- to achieve high standards of work and behaviour through building good relationships and developing a sense of responsibility;
- to encourage mutual respect and trust between adults and children
- to create a welcoming atmosphere;
- to encourage parents/carers to take an active part in their child's education both at home and school;
- to increase an awareness of, and sensitivity towards others;
- to liaise effectively with pre-school groups and secondary schools, paying particular attention to continuity of the curriculum and progress of each pupil.

The school is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

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

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"), and
- b. To promote for the benefit of the inhabitants of South Ockendon and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The School Development Plan has been tailored specifically to meet the overall objects and aims of the school, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupils progress, pupils health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

SHAW PRIMARY ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. PUBLIC BENEFIT

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

Achievements and performance

a. REVIEW OF ACTIVITIES

The academy was subject to inspection by OFSTED in March 2016 and was deemed to be providing Good provision for past and current pupils, agreeing that The leadership team has maintained the good quality of education in the school since the last inspection.

End of key stage outcomes in Early Years and Key Stage 1 compare well with national figures with Phonics outcomes being above the national standard.

Key stage 2 outcomes meet the floor standards in all subjects and outcomes in Reading, Writing and EGPS were in line with the national trend.

The academy continues to maintain a healthy financial position and compares well to national benchmarking when setting budgets for staffing costs and other non-negotiable spending.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

SHAW PRIMARY ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. OVERVIEW

The majority of the Academy's income is derived from the Education Funding Agency (EFA), (formerly the Young People's Learning Agency). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the EFA and local authority; all these grants are shown as restricted income.

During the period ended 31 August 2016, total expenditure of £2,264,455 was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period was £245,709.

At 31 August 2016 the net book value of fixed assets was £3,913,806. Movements in tangible fixed assets are shown in note 15 in the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the academy.

The academy held fund balances at 31 August 2016 of £3,161,050 comprising £2,830,691 of restricted funds and £330,539 of unrestricted general funds, of the restricted funds £3,959,150 is represented by tangible fixed assets and £64,338 of unspent fund carried forward. The pension reserve which is considered part of the restricted funds was £1,429,000 in deficit.

Although the pension deficit is higher than the previous financial period. Employer's pension contributions (as a percentage of gross pay) have been consistent and a fixed sum is being repaid each month in order to slowly repay the deficit. As a result, there is no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust because of recognising the deficit.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long-term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

SHAW PRIMARY ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. RESERVES POLICY

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

Planning permission for a new teaching and learning space is currently being sought on behalf of Trustees. The new build, will incorporate several small teaching rooms, toilet facilities and a kitchen area. The purpose of the building is to support small group intervention to ensure that all pupils reach their learning potential and although this already happens through the use of specialist intervention teachers, the facilities are not currently adequate to give the best possible learning experience that would be gained from learning in a purpose built space with high quality resources and IT provision. Early indicators and previous builds suggest that the cost will be in the region of £300,000.

Full refurbishment to the Key Stage 2 outdoor play area is required with all playgrounds needing resurfacing and climbing wall areas requiring surface improvement. Based on previous spending of this nature the current estimated cost of this work is £20,000.

In response to the national and local teacher recruitment crisis, Trustees plan to hold some funds in reserve to refurbish the school bungalow currently inhabited by the Caretaker. Once the caretaker retires and vacates the bungalow, the refurbished home can be used as a recruitment and retention incentive offer subsidised housing for teachers willing to relocate to the area. Trustees estimate the cost of the refurbishment, including new windows and roof, to be in the region of £100,000.

Some funds will also be held in reserve to retain teaching staff who are eligible to apply to be paid at the upper pay scale in the coming years, there are 3 teachers currently being paid at the top of the Teacher Main Scale Pay and a further 3 who will be in this position next year.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £330,359. This has been built up from balances transferred from the predecessor school. Surpluses built up by careful control of GAG expenditure since conversion to academy amount to £300,541. The cash balance of the academy has been very healthy all year, ending the year with a balance of £713,103. The directors have determined that in addition to funds earmarked for the building project, they should hold a contingency equivalent to £50,000.

e. MATERIAL INVESTMENTS POLICY

The charitable company's current policy is to invest surplus funds in short-term cash deposits. There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

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 Shaw Primary Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Shaw Primary Academy.

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice-Chair are elected to the position annually.

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

The school provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Staff pay is affected by legislation, and national and local pay agreements, which are adhered to by Trustees when determining pay levels of key management personnel. Decisions comply with the School Teachers' Pay & Conditions Document (STPCD) and the accompanying statutory guidance. The Headteacher is responsible for determining the starting salary, and for making pay progression decisions, for posts on the Leadership and Lead Practitioner Pay Ranges. Such decisions will be ratified by the Trustees. The headteacher's pay is subject to performance management undertaken by members of the board of Trustees and an external independent advisor, any pay awards are ratified by the Trustees. The Trustees do not receive any remuneration for the work with the academy.

f. ORGANISATIONAL STRUCTURE

The Shaw Primary Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Headteacher is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day-to-day running of the Academy to the Headteacher and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the school's Standing Orders.

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

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Shaw Primary Academy is stand alone converter academy and as such is not part of a wider network.

h. GOVERNORS' INDEMNITIES

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Plans for future periods

a. FUTURE DEVELOPMENTS

The School Development Plan establishes the priorities for the coming year. The purpose of the plan is to identify how we can further improve and develop the work of the school, how we will manage change and how we can make best use of resources and new opportunities available to us. Priorities are identified in relation to the extent to which they, ensure all pupils make sufficient progress and achieve age related outcomes in line with the National Curriculum and Interim Teacher Assessment Frameworks; fine tune and embed current assessment procedures, whilst developing more specific systems for reading and a three tiered system for those with Special Educational Needs and Disabilities and ensure more able pupils are given opportunities to experience rich question and answers and have their thinking challenged. We have considered priorities and allocation of funds for the year ahead in light of, Outcomes from monitoring, evaluation and data analysis; Consultation with staff, children and other stakeholders; The National Curriculum and 'assessment without levels;' The National expectations in terms of pupil attainment and progress; The Rochford Review and other current educational policy and practice.

FUNDS HELD AS CUSTODIAN

The Shaw Primary Academy acts as custodians and holds funds for the Thurrock Primary Heads Association, at the year end the balance of this fund was £8,665 which is included within other creditors.

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

AUDITORS

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

This report was approved by order of the board of trustees as the company directors, on 1 December 2016 and signed on its behalf by:


.....
L Russell
Chair of Trustees

SHAW PRIMARY ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shaw Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
L Russell, Chair	6	6
C Burton	4	6
K Rees	4	6
M Awolola	5	6
A Day	5	6
D Copping, Accounting Officer	6	6
J Casey	4	6
H Martin	4	6
D Matthieu	2	3

There have been some key changes to the composition of the governing body which are as follows:

New Vice Chair appointed 4 May 2016

One governor resigned Spring Term 2016

At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be measured and to help the school improve.

Governors undertook a full skills audit review during the Autumn Term of 2015. The board were able to demonstrate knowledge and skill in all areas of the audit excluding premises and facilities management. This skills gap has been addressed by purchasing the services of external providers to support decision making and spending in this area.

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GOVERNANCE STATEMENT (continued)

Termly, full governing body meetings dedicated to matters relating to finance and resources uphold their purpose is to manage the finances, premises and health and safety of the Academy. At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be monitored and to help the school improve.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
L Russell, Chair	3	3
C Burton	3	3
K Rees	2	3
M Awolola	3	3
A Day	3	3
D Copping, Accounting Officer	3	3
J Casey	2	3
H Martin	3	3
D Matthieu	2	3

REVIEW OF VALUE FOR MONEY

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

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

- Developing our Early Years provision and resources
- Developing our Year One provision and resources
- Increasing the capacity of the Inclusion team by appointing a full time Special Educational Needs Co-ordinator

The impact of these strategies is reflected in pupil outcomes with pupils in the Early Years achieving Good Levels of Development that are an improvement on last year and above the national average. In school data and national Phonics Check Data show improved outcomes for Year One pupils. The proportion of pupils that met the standard in Phonics was above the national figure. The appointment of a full time SENCO has facilitated individualised mathematics teaching for those with SEND as well as supporting the on going development of specialised assessment practice for these pupils.

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 Shaw Primary 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 trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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 trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Essex Educational Services 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 termly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. 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

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- 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 internal auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 1 December 2016 and signed on their behalf, by:

.....
L Russell
Chair of Trustees

.....
D Copping
Accounting Officer

SHAW PRIMARY ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Shaw Primary 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

The Academy procurement process was not followed in line with our Financial Regulations during a material tendering exercise. The tendering process had been outsourced to a third party as part of a Capital Improvement Fund bid. Only two companies submitted their quotations in time for the bid deadline and due to the tight timescales, Trustee approval was not sought when one of the companies tendering failed to respond.


.....
D Copping
Accounting Officer

Date: 1 December 2016

SHAW PRIMARY ACADEMY
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as governors of Shaw Primary 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;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 trustees on 1 December 2016 and signed on its behalf by:

.....
L Russell
Chair of Trustees

SHAW PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
PRIMARY ACADEMY**

We have audited the financial statements of Shaw Primary 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 academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy 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.

UNQUALIFIED OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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 year for which the financial statements are prepared is consistent with the financial statements.

SHAW PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
PRIMARY ACADEMY**

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.

Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Registered Auditors

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
7 December 2016

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SHAW PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 February 2013 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 Shaw Primary 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 Shaw Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shaw Primary 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 Shaw Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SHAW PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Shaw Primary Academy's funding agreement with the Secretary of State for Education dated 25 May 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.

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SHAW PRIMARY
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, except for the matters listed below, 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.

It was identified that the procurement process was not followed in line with the Academy's Financial Regulations during a material tendering exercise. The tendering process had been outsourced to a third party as part of a Capital Improvement Fund bid and Trustee approval was not sought when one of the companies tendering failed to respond.

MWS

Chartered Accountants
Reporting Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

7 December 2016

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	199,078	10,043	209,121	327,022
Charitable activities	5	2,241,293	-	-	2,241,293	2,219,453
Other trading activities	3	-	-	58,706	58,706	55,241
Investments	4	-	-	1,044	1,044	1,277
Other income	6	-	-	-	-	21,959
TOTAL INCOME		2,241,293	199,078	69,793	2,510,164	2,624,952
EXPENDITURE ON:						
Charitable activities		1,992,256	172,491	99,708	2,264,455	2,127,756
TOTAL EXPENDITURE	9	1,992,256	172,491	99,708	2,264,455	2,127,756
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	249,037 (872,587)	26,587 872,587	(29,915) -	245,709 -	497,196 -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		(623,550)	899,174	(29,915)	245,709	497,196
Actuarial gains/(losses) on defined benefit pension schemes	24	(509,000)	-	-	(509,000)	22,000
NET MOVEMENT IN FUNDS		(1,132,550)	899,174	(29,915)	(263,291)	519,196
RECONCILIATION OF FUNDS:						
Total funds brought forward		4,091	3,059,976	360,274	3,424,341	2,905,145
TOTAL FUNDS CARRIED FORWARD		(1,128,459)	3,959,150	330,359	3,161,050	3,424,341

SHAW PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8333159

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		3,913,806		3,148,920
CURRENT ASSETS					
Debtors	16	98,336		108,122	
Cash at bank and in hand		713,103		1,262,614	
		<u>811,439</u>		<u>1,370,736</u>	
CREDITORS: amounts falling due within one year	17	(135,195)		(245,315)	
NET CURRENT ASSETS			676,244		1,125,421
TOTAL ASSETS LESS CURRENT LIABILITIES			4,590,050		4,274,341
Defined benefit pension scheme liability	24		<u>(1,429,000)</u>		<u>(850,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>3,161,050</u>		<u>3,424,341</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	300,541		854,091	
Restricted fixed asset funds	18	3,959,150		3,059,976	
		<u>4,259,691</u>		<u>3,914,067</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,429,000)</u>		<u>(850,000)</u>	
Total restricted funds			2,830,691		3,064,067
Unrestricted funds	18		330,359		360,274
TOTAL FUNDS			<u>3,161,050</u>		<u>3,424,341</u>

The financial statements were approved by the governors, and authorised for issue, on 1 December 2016 and are signed on their behalf, by:

.....
L Russell,
Chair of Trustees

.....
D Copping,
Accounting Officer

The notes on pages 20 to 38 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>187,746</u>	<u>594,246</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,043	1,277
Purchase of tangible fixed assets		(937,378)	(525,163)
Capital grants from DfE/EFA		<u>199,078</u>	<u>314,682</u>
Net cash used in investing activities		<u>(737,257)</u>	<u>(209,204)</u>
Change in cash and cash equivalents in the year		(549,511)	385,042
Cash and cash equivalents brought forward		<u>1,262,614</u>	<u>877,572</u>
Cash and cash equivalents carried forward		<u><u>713,103</u></u>	<u><u>1,262,614</u></u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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.

Shaw Primary 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 Shaw Primary 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 Shaw Primary 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']

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

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..

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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.

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

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

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
Furniture and equipment	-	25% reducing balance
Computer equipment	-	3 years straight line

1.6 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.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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 24, 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

1.8 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.

1.9 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.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.11 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.

1.12 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.

1.13 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.

1.14 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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 24, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational trips and visits	-	-	10,043	10,043	12,340
Capital grants	-	199,078	-	199,078	314,682
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	199,078	10,043	209,121	327,022
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £12,340 was to unrestricted funds and £314,682 was to restricted funds

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

3. OTHER TRADING ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	-	27,997	27,997	31,562
Services provided	-	6,124	6,124	2,050
School sales	-	23,900	23,900	20,943
Recharges and reimbursements	-	685	685	686
	<u>-</u>	<u>58,706</u>	<u>58,706</u>	<u>55,241</u>

In 2015, of the total income from other trading activities, £55,241 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	-	1,044	1,044	1,277

In 2015, of the total investment income, £1,277 was to unrestricted funds and £ NIL was to restricted funds.

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	1,820,213	-	1,820,213	1,755,527
Other DfE/EFA grants	301,770	-	301,770	284,912
	<u>2,121,983</u>	<u>-</u>	<u>2,121,983</u>	<u>2,040,439</u>
Other government grants				
Local authority grants	119,310	-	119,310	179,014
	<u>119,310</u>	<u>-</u>	<u>119,310</u>	<u>179,014</u>
	<u>2,241,293</u>	<u>-</u>	<u>2,241,293</u>	<u>2,219,453</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £2,219,454 was to restricted funds.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

6. OTHER INCOMING RESOURCES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Thurrock Primary Heads Association	-	-	-	21,959
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

In 2015, of the total other incoming resources, *NIL* was to unrestricted funds and 21,959 was to restricted funds.

7. DIRECT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Technology costs	288	288	-
Educational supplies	99,338	99,338	67,680
Staff development	16,229	16,229	27,889
Educational consultancy	4,293	4,293	13,149
Other direct costs	10,225	10,225	15,051
Wages and salaries	1,091,747	1,091,747	1,012,171
National insurance	72,532	72,532	60,714
Pension cost	113,627	113,627	95,259
	<u>1,408,279</u>	<u>1,408,279</u>	<u>1,291,913</u>

In 2015, the academy incurred the following Direct costs:

£1,291,913 in respect of Educational Operations

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

8. SUPPORT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Net pension finance charge	32,000	32,000	26,000
Recruitment and support	2,185	2,185	170
Maintenance of premises	93,317	93,317	88,918
Cleaning	27,619	27,619	26,282
Rent and rates	5,485	5,485	17,000
Energy costs	13,687	13,687	7,052
Insurance	32,527	32,527	25,608
Security and transport	3,425	3,425	2,371
Catering	91,566	91,566	93,424
Bank interest and charges	64	64	208
Legal and professional fees	54,638	54,638	55,905
Other support costs	39,986	39,986	20,673
Wages and salaries	160,231	160,231	161,840
National insurance	9,647	9,647	8,748
Pension cost	117,308	117,308	112,000
Depreciation	172,491	172,491	187,874
	<u>856,176</u>	<u>856,176</u>	<u>834,073</u>

During the year ended 31 August 2016, the academy incurred the following Governance costs:
£7,400 (2015 - £9,020) included within the table above in respect of Educational Operations.

9. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	1,277,905	-	130,374	1,408,279	1,291,913
Support costs	287,185	312,568	256,423	856,176	826,823
	<u>1,565,090</u>	<u>312,568</u>	<u>386,797</u>	<u>2,264,455</u>	<u>2,118,736</u>

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	172,492	187,874
Auditors' remuneration - audit	<u>7,400</u>	<u>7,250</u>

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,247,628	1,127,231
Social security costs	82,178	69,463
Operating costs of defined benefit pension schemes	230,934	207,259
	<hr/>	<hr/>
	1,560,740	1,403,953
Supply teacher costs	4,350	46,780
	<hr/>	<hr/>
	1,565,090	1,450,733
	<hr/> <hr/>	<hr/> <hr/>

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

	2016 No.	2015 No.
Teachers	18	18
Administration and support	28	28
Management	3	3
	<hr/>	<hr/>
	49	49
	<hr/> <hr/>	<hr/> <hr/>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £9,184 (2015 - £9,184).

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

12. GOVERNORS' REMUNERATION AND EXPENSES

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal 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:

		2016	2015
		£'000	£'000
M Awolola	Remuneration	0-5	45-50
	Pension contributions paid	0-5	5-10
J Casey	Remuneration	5-10	5-10
	Pension contributions paid	0-5	0-5
D Copping, Accounting Officer	Remuneration	65-70	65-70
	Pension contributions paid	5-10	5-10

During the year, no governors received any reimbursement of expenses (2015 - £NIL).

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 is included in the total insurance cost.

14. OTHER FINANCE INCOME

	2016	2015
	£	£
Expected return on pension scheme assets	20,000	23,000
Interest on pension scheme liabilities	(52,000)	(49,000)
	(32,000)	(26,000)

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15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2015	2,785,548	586,015	139,312	178,598	3,689,473
Additions	656,692	140,722	14,181	125,783	937,378
Transfer between classes	178,598	-	-	(178,598)	-
At 31 August 2016	<u>3,620,838</u>	<u>726,737</u>	<u>153,493</u>	<u>125,783</u>	<u>4,626,851</u>
Depreciation					
At 1 September 2015	129,132	304,570	106,851	-	540,553
Charge for the year	64,632	78,330	29,530	-	172,492
At 31 August 2016	<u>193,764</u>	<u>382,900</u>	<u>136,381</u>	<u>-</u>	<u>713,045</u>
Net book value					
At 31 August 2016	<u>3,427,074</u>	<u>343,837</u>	<u>17,112</u>	<u>125,783</u>	<u>3,913,806</u>
At 31 August 2015	<u>2,656,416</u>	<u>281,445</u>	<u>32,461</u>	<u>178,598</u>	<u>3,148,920</u>

16. DEBTORS

	2016 £	2015 £
Trade debtors	1,880	3,190
VAT repayable	50,420	51,427
Prepayments and accrued income	46,036	53,505
	<u>98,336</u>	<u>108,122</u>

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	30,465	145,379
Other taxation and social security	24,565	21,343
Other creditors	29,998	19,966
Accruals and deferred income	50,167	58,627
	<u>135,195</u>	<u>245,315</u>

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

Included in deferred income are grants for Universal Infants Free School Meals and Rates Relief received in advance of entitlement

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	24,592	33,518
Resources deferred during the year	26,542	24,592
Amounts released from previous years	(24,592)	(33,518)
	<u>26,542</u>	<u>24,592</u>
Deferred income at 31 August 2016	<u>26,542</u>	<u>24,592</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted general funds	360,274	69,793	(99,708)	-	-	330,359
Restricted funds						
General Annual Grant	804,287	1,815,505	(1,486,517)	(872,587)	-	260,688
Local Authority Grants	-	124,018	(124,018)	-	-	-
Other DfE/EFA Grants	-	57,570	(57,570)	-	-	-
Pupil Premium	40,750	244,200	(245,097)	-	-	39,853
Thurrock Primary Heads Association	9,054	-	(9,054)	-	-	-
Pension reserve	(850,000)	-	(70,000)	-	(509,000)	(1,429,000)
	<u>4,091</u>	<u>2,241,293</u>	<u>(1,992,256)</u>	<u>(872,587)</u>	<u>(509,000)</u>	<u>(1,128,459)</u>
Restricted fixed asset funds						
Inherited Fixed Assets	2,616,780	-	(118,731)	-	-	2,498,049
EFA Capital Grants	337,700	199,078	(6,406)	-	-	530,372
Capital expenditure from GAG	105,496	-	(47,354)	872,587	-	930,729
	<u>3,059,976</u>	<u>199,078</u>	<u>(172,491)</u>	<u>872,587</u>	<u>-</u>	<u>3,959,150</u>
Total restricted funds	<u>3,064,067</u>	<u>2,440,371</u>	<u>(2,164,747)</u>	<u>-</u>	<u>(509,000)</u>	<u>2,830,691</u>
Total of funds	<u>3,424,341</u>	<u>2,510,164</u>	<u>(2,264,455)</u>	<u>-</u>	<u>(509,000)</u>	<u>3,161,050</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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

Restricted general funds and other restricted funds

These relate to the Academy's development and operational activities.

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme

GAG carry forward restriction

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
	-	-	-	-	3,148,921
Tangible fixed assets	-	3,913,809	-	3,913,809	-
Current assets	416,741	64,338	330,359	811,438	1,370,737
Creditors due within one year	(116,200)	(18,997)	-	(135,197)	(245,316)
Provisions for liabilities and charges	(1,429,000)	-	-	(1,429,000)	(850,000)
	<u>(1,128,459)</u>	<u>3,959,150</u>	<u>330,359</u>	<u>3,161,050</u>	<u>3,424,341</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. TRANSFER BETWEEN FUNDS

Funds have been transferred in respect of the following;

£872,587 has been transferred from the restricted fund to restricted fixed asset fund representing assets purchased using the GAG.

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	245,709	497,196
Adjustment for:		
Depreciation charges	172,492	187,874
Dividends, interest and rents from investments	(1,043)	(1,277)
Decrease in debtors	9,785	4,146
(Decrease)/increase in creditors	(110,119)	158,989
Capital grants from DfE and other capital income	(199,078)	(314,682)
Defined benefit pension scheme cost less contributions payable	38,000	36,000
Defined benefit pension scheme finance cost	32,000	26,000
Net cash provided by operating activities	187,746	594,246

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	713,103	1,262,614
Total	713,103	1,262,614

23. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	185,940	242,390

24. 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 Essex 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 £21,333 were payable to the schemes at 31 August 2016 (2015 - 19,966) and

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

24. PENSION COMMITMENTS (continued)

are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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
- 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 16.4%. 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 £113,627 (2015 - £115,271).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has 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 £78,778 (2015 - £100,667), of which employer's contributions totalled £54,130 (2015 - £76,964) and employees' contributions totalled

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

24. PENSION COMMITMENTS (continued)

£24,647 (2015 - £23,703). The agreed contribution rates for future years are 12.3% for employers and 5.5% - 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.90 %
Rate of increase in salaries	4.10 %	4.30 %
Rate of increase for pensions in payment / inflation	2.30 %	2.50 %
RPI increase	3.20 %	3.40 %
Inflation assumption (CPI)	2.30 %	2.50 %
Commutation of pensions to lump sums	60.00 %	60.00 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	435,000	302,000
Gilts	23,000	19,000
Other bonds	29,000	45,000
Property	70,000	54,000
Cash	19,000	11,000
Alternative assets and other managed funds	58,000	33,000
Total market value of assets	634,000	464,000

For accounting year beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore we are not required to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the profit and loss change for the year ended 31 August 2015

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24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(117,000)	(112,000)
Net interest cost	(32,000)	(26,000)
	<hr/>	<hr/>
Total	(149,000)	(138,000)
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening defined benefit obligation	1,314,000	1,212,000
Current service cost	117,000	112,000
Interest cost	52,000	49,000
Contributions by employees	24,000	24,000
Actuarial losses/(gains)	565,000	(25,000)
Benefits paid	(9,000)	(58,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,063,000	1,314,000
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening fair value of scheme assets	464,000	402,000
Return on plan assets (excluding net interest on the net defined pension liability)	56,000	23,000
Interest income	20,000	-
Actuarial gains and (losses)	-	(3,000)
Contributions by employer	79,000	76,000
Contributions by employees	24,000	24,000
Benefits paid	(9,000)	(58,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	634,000	464,000
	<hr/>	<hr/>

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

25. 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 £
Amounts payable:		
Within 1 year	3,200	3,200
Between 1 and 5 years	-	3,200
Total	3,200	6,400

26. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year.

27. CONTROLLING PARTY

There is no ultimate controlling party.

28. RESOURCES HELD FOR A THIRD PARTY

Movement of resources held on behalf of the Thurrock Primary Heads Association were as follows:

Resources received	£12,665
Resources expended	£13,054

At the year end £8,665 (2015 - £9,054) other creditors related to the Thurrock Primary Heads Association.

29. 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.

30. 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.