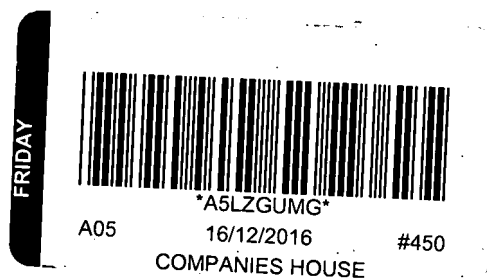


MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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



**MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Diocese of Bristol Academies Company P Berryman M Cross S Shaw (appointed 1 September 2016) C Wilton
Trustees	L Mussett, Vice Chair then Acting Chair from 18 May 2016 ¹ C Wilton, Chair (resigned 16 March 2016) ¹ N Smethurst, Vice Chair ^{2,3} S Heal, Headteacher (appointed 1 January 2016) ^{1,2} J Staton, Headteacher (resigned 31 December 2015) ¹ N Archer ⁴ F Auty (resigned 6 July 2016) ² E Bendall ^{1,3} R Bristow ² J Brown ¹ J Brown ² C Cox ^{2,4} C Davies ^{1,4} G Fry (resigned 6 July 2016) ² J Jenkins ^{2,4} D Moore ¹ R Snedden ^{1,3} R Ward (resigned 8 June 2016) ¹ S Wilson ²
	¹ Finance and Staffing Committee ² Curriculum and Premises Committee ³ Audit Committee ⁴ Foundation Committee
Company registered number	08483768
Company name	Malmesbury C of E Primary School
Principal and registered office	Tetbury Hill Malmesbury Wiltshire SN16 9JR
Company secretary	T Osborne
Accounting Officer	S Heal
Senior Leadership Team	J Staton, Headteacher (until 31 December 2015) S Heal, Headteacher (from 1 January 2016) D Oakes, Deputy Headteacher S Driver, Assistant Head, Milepost 1 (until 31 December 2016) J Ridgley, Assistant Head, Milepost 2 (until 31 December 2015) B Johnson, Assistant Head, Milepost 2 (from 1 April 2016) R Bristow, Assistant Head, Milepost 3 T Osborne, School Business Manager

**MALMESBURY C OF E PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank PLC 29 High Street Chippenham Wiltshire SN15 3HA
Solicitors	Veale Wasborough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 11 in Malmesbury. It has a pupil capacity of 420 and had a roll of 421 in the school census on 15 January 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Malmesbury C of E Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Malmesbury C of E Primary School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance through the EFA's Risk Protection Arrangement (RPA) to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The RPA provides unlimited indemnity for Trustees' liability.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

At conversion on 1 June 2013 the Members appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises of the Headteacher, a minimum of 5 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy, does not exceed one third of the total number of Trustees). The number of Trustees will not be less than 3 but is not subject to a maximum.

The Academy may have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 2 co-opted Trustees who are appointed by the Board of Trustees.
- up to 4 Foundation Trustees who are appointed by Diocese of Bristol.
- a minimum of 5 Parent Trustees who are elected by the parents of registered pupils at the Academy.
- up to 2 Staff Trustees appointed by the Board of Trustees.
- up to 2 Community Trustees who are appointed by the Board of Trustees.
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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

The Diocese of Bristol is empowered under article 51 to appoint the Foundation Trustees.

When appointing new Trustees, the Board will give consideration to the variety of skills and experience of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the school and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Trustee. As there are normally only two or three new Trustees a year, induction tends to be completed informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Wiltshire Governor Services, and our retained solicitors and auditors. The Academy also subscribes to the National Governor Association and all Trustees are provided with access to its online resources.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are currently 4 committees as follows;

- Finance and Staffing Committee – this meets at least 3 times and up to 6 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, and drafting the annual budget including setting staffing levels. It also receives reports with regards to staffing issues, employment law and recruitment.
- Curriculum and Premises Committee – this meets at least 3 times and up to 6 times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. It also monitors, assesses and recommends the commissioning of works to all buildings and other infrastructure work.
- Audit Committee – this meets at least once a year to assess compliance with reporting and regulatory requirements and reporting, receive reports from the Responsible Officer/internal assurance and make recommendations to the Board of Trustees regarding compliance and regularity.
- Foundation Committee - meets at least 3 times per year to monitor and encourage the Christian distinctiveness of the school.

The following decisions are reserved to the Board of Members: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Members and Board of Trustees have devolved responsibility for day to day management of the Academy to Senior Leadership Team (SLT). The SLT comprises of the Headteacher, Deputy Headteacher, Assistant Heads, and the School Business Manager.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Academy has a leadership structure which consists of the Trustees and the SLT. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager and Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy's key management personnel are the Headteacher, Deputy Head, Assistant Heads, School Business Manager, Trustees and Board of Members. No Trustees or members receive any remuneration. All other key management personnel are employed by the Academy and subject to the School Teachers Pay and Conditions document, except for the School Business Manager who is employed under Support staff terms and conditions. All employees' pay and remuneration is subject to the academy's Pay Policy framework, which is reviewed and adopted annually.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with nine local cluster primary schools and Malmesbury School (Secondary School). This is the Malmesbury Area Learning Community. During 2015/16 the Academy continued its memberships of the Pickwick Learning Teaching Schools Alliance and the Avon Teaching Schools Alliance. In addition in 2015/16 the Academy also participated in the Council for British Teachers (CfBT) peer review framework and supported a number of different schools both locally and nationally through its National Support School status.

There are no related parties that either control or significantly influence the decisions and operations of Malmesbury C of E Primary School. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in Malmesbury and the surrounding area, in particular by establishing, maintaining, carrying on, managing and developing a school, that offers a broad, vibrant curriculum for pupils of different abilities, with a strong emphasis on serving the community by providing high quality education and promoting Christian values. We passionately believe in our mission that we are *'An Academy, Together Taking Every Opportunity to Make Our Best Better'*.

Our Academy aims that all pupils will become:

- **Confident individuals**
Children who are able to lead safe, healthy and fulfilling lives
- **Successful learners**
Children who will enjoy learning make great progress and achieve outstanding outcomes
- **Responsible citizens**
Children who will grow and flourish to make a positive contribution to society

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Our Academy aims for all pupils to:

- be given an equal opportunity to reach their full potential academically and socially.
- have their awareness of moral and spiritual values continually raised.
- be encouraged to become independent learners equipped with the necessary skills for life.
- be encouraged to have understanding, tolerance and a respect for the needs of others that can be shown through thoughts and deeds.
- be able to demonstrate an increasing respect for their own and others possessions, developing an increasing appreciation and concern for their immediate and the wider environment.

Our Academy has a nurturing, caring ethos founded on our Christian distinctiveness established on:

- Love for myself and others
- Love for life and learning
- Love for God

This is promoted through our highly visible values of:

- **Respect**
I respect myself, treat others as I would like to be treated and value what I have around me.
- **Courage**
I have faith, I believe in myself and I rise to a challenge.
- **Kindness**
I am friendly, helpful and polite.
- **Creativity**
I use my imagination to explore and share ideas.
- **Independence**
I am resilient, resourceful and reflective.

The aims of the Academy during the year ended 31 August 2016 are summarised below:

- to continue to raise standards in all aspects of educational achievement for all pupils.
- to continue to provide a vibrant, creative, broad and balanced curriculum, including extra curricular activities.
- to promote engagement in and, a love of, learning for all pupils.
- to develop the Academy buildings and site so that it inspires pupils to achieve and provides a safe environment.
- to ensure that every pupil has equal access to high quality education in terms of resources, quality of teaching and care.
- to improve the effectiveness of the Academy by continually reviewing the organisational structure and curriculum.
- to maximise the number of pupils who achieve positive academic outcomes, L4+ in reading, writing and mathematics.
- to provide value for money in all aspects of the work of the Academy.
- to comply with all appropriate statutory and regulatory requirements.
- to maintain close links with Malmesbury Abbey and the wider local community.
- to develop the Academy's capacity to manage change, and conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- to ensure that the Ofsted action point from our 2012 inspection where the school was judged outstanding "Help to maintain the rise in pupils' attainment in mathematics by ensuring that pupils in all year groups are provided with frequent opportunities to apply and develop their mathematical skills in knowledge in other subject areas."

At Malmesbury C of E Primary School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his/her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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

Objectives, Strategies and Activities

Key priorities for the coming year are contained in our Academy Development Plan 2015/16. The focus for improvement and development over the last year included:

School Improvement Plan Heading: Raw Power

- Continuing to improve levels of attainment and rates of progress in writing for all groups of pupils so that overall levels of achievement in Reading, Writing and Mathematics combined can be raised.

Activities to support the above goal included:

- Recruiting a high quality replacement for the literacy subject leader, who left the school after many years' service. Forming a new team, including a Key Stage 2 (KS2) lead who also became a Local Authority writing moderator.
- Staff training courses and SLT support prepared staff at years 2 and 6 for the new assessment frameworks and SAT tests.
- A new assessment system for the new national curriculum, Learning Ladders, was identified in consultation with staff. Extensive training in the new system was given and time allocated to assessment and data entry. Following the publication of the interim assessment frameworks, staff worked together to adjust and align our system with these.
- A new whole school teaching pedagogy was introduced, in which rubrics define expectations and success criteria for each type of writing.
- Whole-school training in the Storymaking approach to teaching writing, including an author visit and a Story Week.
- Revising the structure of the writing curriculum, in light of the new national curriculum, to ensure breadth, balance and progression with strong links to the International Primary Curriculum in order to support cross-curricular writing.
- Analysis of KS1 data highlighted a group of vulnerable readers and writers who moved into KS2 below age-related expectations. Interventions were put in place to support these children in small groups.
- An additional Teaching Assistant, primarily in Y1, worked 1:1 on Reading Recovery intervention techniques and phonics reinforcement.
- Continuing investment in reading resources in line with the action plan developed the previous year. Provision of additional Oxford Reading Tree (ORT) resources. Books and interactive software to maintain stimulating interesting stock for constant heavy use in KS1/EYFS for 180 of our youngest pupils. These resources were expanded in quantity and range for use by Y3 (including selected authors, new ORT stages 11,12,13 titles to create progressive Free Readers 1,2,3)
- Investment in resources to support writing in the Foundation Stage, particularly the new outdoor areas.
- Significant time and effort were also invested in the new baseline assessment for the Foundation Stage. Although the Government removed this requirement at the end of the year, it was felt to be a valuable exercise and will be repeated in the coming year.
- Two whole-school independent review days (November and June) were focused on writing. The days included scrutiny of books and assessments in all classes, classroom visits to observe teaching and the learning environment, and interviews with staff at all levels. These days were conducted by serving Headteachers in other schools under the Education Development Trust review framework. They informed school improvement planning and evidenced the effectiveness of the measures taken.
- Phonics workshops for parents to explain how phonics is taught, ironing out common misconceptions and misunderstandings, to enable parents to effectively support the school's work.

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

School Improvement Plan Heading: Malmesbury's Marvellous Mathematicians

- Ensure continued levels of attainment and rates of progress in mathematics for all pupils so that the end of KS2 results continue to be significantly above national levels by;

Activities to support the above goal included:

- Implementation of the new Abacus Maths scheme by all staff.
- Continued implementation of new assessment tools with a strong diagnostic element, helping teachers working toward the raised standards within the new curriculum.
- Training of staff in key year groups in mastery approaches to teaching. Observation of mastery teaching by SLT members, discussion and planning for further implementation of mastery teaching in 2016/17.
- Data analysis identified particular needs within the year 2 and 3 cohorts. There were very significant interventions including employing additional teaching assistant for the whole year in each of the Y3 classes, and three full time teachers across the two Y2 classes for the summer term. Other teaching assistants provided much additional small group support in order to boost attainment and progress.
- Setting for maths has continued in Y2. Y6 have continued with a three set structure and Y4 have created an extra set in order that appropriate differentiation is in place for low attaining pupils
- Academic mentoring of Y6 pupils. Class teachers were released for 1:1 progress reviews and target setting, with a very noticeable impact and positive feedback from parents and children.

School Improvement Plan Heading: Digital Revolution

- Ensure the school network and infrastructure is suitable to support the needs of the school.
- Procure an ICT support contract to provide regular on site support.
- Introduce a new school website.
- Enhance teaching and learning across the curriculum by regular planned and creative use of mobile technology through iPads and other devices.
- Provide regular support all staff with creative ways to use technology to transform lessons.
- Support the local cluster and beyond by offering regular training as a Regional Training Centre.
- Introduce the new computing curriculum across both Key Stages.

Activities to support the above goal included:

- The school network has had a complete rebuild and every classroom and teacher has been provided with a new PC and laptop. Y6 have two new UHD SMART screens.
- Oakford technology now provide technical onsite support every Friday morning. Enabling staff to send their queries directly to a technician who can deal with them promptly and efficiently.
- The new school website is now live – members of the administrative staff have been given training on how to regularly update. This includes a 'Homework Vault' which allows teachers to quickly and easily add their class homework to the website.
- We now have a school 'Twitter' account enabling us to make regular updates to the website and inform parents quickly of any relevant information e.g. updates from the French trip.
- The school now enables children to experience both a fully Windows and Mac environment – with Y6 having access to an iMac and their own iPads.
- Digital Leaders programme for pupils started in October 2014. Twelve highly motivated and high attaining pupils in ICT selected to assist and promote digital technology within assigned year groups. Their assistance was technical and educational in terms of uses and applications of software and hardware.
- The school has provided 12 free sessions of CPD courses to promote use of digital technology in school, cluster and across North and Central Wiltshire.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

- R Bristow and D Oakes have provided INSET to schools in Wiltshire and North Yorkshire which has generated an income to the school.
- The school has been approached by Apple to become an Apple Distinguished School in the year 2016/17.
- Trilby TV is being used to showcase children's digital work both internally and on the new school website, thereby celebrating the high quality work they create.
- Pupils started their own coding club and led sessions to teach peers and younger pupils coding basics.

School Improvement Plan Heading: Special Spaces, Special Places

- Working with all stakeholders on the possibility of expanding the school's capacity to either 525 or 630 children (2.5 or 3 form entry).
- Developing catering facilities, premises and procuring resources to create an enjoyable midday break experience for all pupils and staff.
- Completing the creation of an inspiring outdoor environment for the EYFS.

Activities to support the above goal included:

- The Board of Trustees has engaged extensively with developers, the Local Authority, the Bristol diocese, and the Department for Education over the possibility and logistics of expanding the school. They have formed specialized sub-committees to consider different aspects of school expansion. Trustees have visited schools which have expanded and met with their leaders. Architects have been engaged, working with Trustees and staff to create a vision of what expansion could offer. Alternative outline plans have been drawn and a preferred scenario has been identified. Parental consultation has continued throughout the process and parents have been kept informed of the decisions taken. Having determined that there would be significant benefits to a full-form expansion (to 630 pupils), Trustees are currently seeking funding that would enable this to take place.
- The newly-completed EYFS Play area has been resourced to enable it to meet its potential, becoming a dynamic, flexible and versatile environment where our youngest children can choose, create, change and can independently be in charge of their play environment. A wide range of stimuli provide open ended contexts for play, exploration, talk, physical activity, plenty of real experiences and provides contact with the natural world.
- The Local Authority decided mid-year to close the Children's Centre operating in a building attached to the school. Plans have been formulated for the refurbishment and use of the building. It is intended that this will provide much-needed space for our special needs interventions, our parent support worker, and also for our newer provisions of play therapy and child counselling.
- The school has continued to develop the quality of school meals, establishing the in-house Malmesbury Meals catering brand. New menus each term have enhanced the wellbeing of pupils by creating appealing, well priced meals for all which effectively integrate healthy eating and nutrition into the curriculum. A sheltered outdoor KS2 eating area has been well used and initiatives like takeaways in the summer have further enhanced the eating experience. This has had many positive impacts on children's behavior and nutrition. There has been significant investment in training for lunchtime staff to build the team ethos, and improve their skills in managing systems and people.
- A significant body of work by the Trustees to create new cleaning schedules. This has updated and modernised working practices, bringing them into line with cleaning industry standards, and has led to improved efficiency.

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

School Improvement Plan Heading: Learning 4 Life

Giving pupils greater ownership and involvement in school life and leadership. Creating highly motivating personal, emotional, social, moral, spiritual and cultural experiences that empower all pupils to be the best they can be.

Activities to support the above goal included:

- The implementation of the school's own new curriculum, blending the International Primary Curriculum with the new National Curriculum. Staff have planned exciting, creative entry and exit points for each topic, generating great enthusiasm for learning and memorable touchstone experiences for all children. The curriculum has been rich, diverse and creative.
- The school has been reorganised into three 'Mileposts': Milepost 1 (Reception and Y1), Milepost 2 (Y2 & 3), Milepost 3 (Y4, 5 & 6). This has helped smooth transition between key stages and has promoted collaboration and shared working since mileposts have shared topics in the International Primary Curriculum.
- The school has significantly developed its ability to meet pupils' personal, social and emotional needs in several ways.
- A school counsellor has been employed to work 1:1 with children. This has been a significant support to many children, giving them the emotional resilience to continue to learn as they pass through trauma in their lives.
- The extension of play therapy has helped the emotional needs of a number of children.
- The extension of our parent support advisor's work has included workshops for parents, contribution towards child protection plans and invaluable support for families who often have nowhere else to turn.
- A number of staff have undertaken training as emotional literacy support assistants.
- The implementation of the new house system.
- House reward points and a house cup, awarded termly, have created a sense of community across year groups and a goal for all children to work towards. This has been enhanced by staff across the school being associated with a house.
- House competition at sports day has given a new focus for activities.
- House Captains and vice-captains elected three times during Y6 give children additional opportunities for leadership and recognition.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Malmesbury and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing the school, offering a broad, vibrant curriculum with a strong emphasis on creativity, engaging learners and providing them with a wide range of learning opportunities.

The Academy provides facilities for recreational and other leisure time, occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

As an Academy we are committed to support other schools. Schools currently supported through the Academy and being engaged in advisory support by Wiltshire LA are Princecroft, Holbrook, Broad Town and Kington St Michael Primary Schools. We support these schools through use of our specialist skills in leadership development and raising achievement. We are also involved in ad-hoc support projects as other schools identify areas where they feel they may need support and approach the Academy to procure this support. Current projects include a mobile technology staff development programme at St Joseph's Primary (Malmesbury) and leadership development and Governor Data training courses delivered on behalf of Wiltshire LA. The Academy also employs a Parent Support Advisor whose services were traded to seven cluster primary schools and Malmesbury Primary School.

STRATEGIC REPORT

Achievements and Performance

The Academy has recently completed its third year of operation and has met the target forecast for number of students. The total number of students at the year ended 31 August 2016 was 419 but this has increased to 420 in September 2016 as the remaining place in Y1 was taken up. The Academy will then be full in all year groups and has a waiting list in operation. Demand for all year group places continues to increase, as do appeals, due to the rapid pace of new housing development within our catchment area.

The Academy is organised on a two form entry year group structure, beginning at EYFS and culminating at Y6. The curriculum is based on the International Primary Curriculum (IPC) with an emphasis on engagement, creativity and learning challenge.

The SLT has been reorganised to facilitate the leadership and management of this structure with Assistant Headteachers leading each milepost. All classes benefit from teaching assistant support, which has a significantly positive impact on teaching, learning and pupil achievement. Parents, community volunteers and Trustees have also had a considerable positive effect on teaching and learning at the Academy this year. Their support and commitment to the children at our Academy is inspiring.

Our pupils are offered a wide range of extra-curricular activities which change termly. They include sporting activities, such as Roaring Rugby, football, netball, golf and athletics, to arts and science based clubs, for example creative textile, cookery, urban art, computing coding, engineering and Lego Robots that are also offered in rotation throughout the year. The Academy has a strong music tradition with pupils given the opportunity to play a wide range of instruments such as piano, saxophone, guitar and strings. The Academy also has a close working relationship with Malmesbury Music Academy which hires Academy premises and offers creative arts and music to over a hundred local children and adults on Saturday mornings in term time.

Pupil attainment over time in terms of results at KS1 and KS2 is high. Pupil achievement is generally good and in many cases outstanding. The high quality of teaching and learning determines these outcomes. Results in 2016 are based on new assessment criteria and are not comparable with previous years' data. However, our results at KS2 are above national averages in all areas of the curriculum, both for attainment and for progress. The results in writing are a significant improvement on last year. This was a year group in which 25% of children had some form of special educational need, compared to the national average of 14%. National comparisons are not yet available for KS1. The year 1 phonics screening check was passed by 92% of pupils, significantly above the national average of 81%. The outcomes of the Foundation Stage Profile (which were moderated by the Local Authority) showed the school above national and Wiltshire averages in all areas of learning except writing where they were very slightly below. This represented excellent progress from generally low starting points.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

KEY STAGE 2 SATS 2016 - Attainment

Combined Attainment: the new Expected Standard in Reading, Writing & Mathematics

	Reaching the expected standard in R, W & M	Achieving a high score in R, W & M
School	65%	12%
National	53%	5%
Difference	+12%	+7%

Reading Attainment

	Reaching expected standard	Achieving a high standard
School	70%	30%
National	66%	19%
Difference	+4%	+11%

Writing Attainment

	Reaching expected standard	Achieving a high standard
School	87%	13%
National	74%	15%
Difference	+13%	-2%

Mathematics Attainment

	Reaching expected standard	Achieving a high standard
School	82%	28%
National	70%	17%
Difference	+12%	+11%

KEY STAGE 2 SATS 2016 - Progress

There is a new progress measure this year. Positive values mean better than average progress and negative values mean worse than average progress. This is based on children's previous attainment at the end of KS1.

	Reading	Writing	Mathematics
School	+1.7	+0.8	+1.5
National	0	0	0

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

School Strategic Development

Malmesbury C of E Primary School was inspected by OFSTED in September 2012, eight months prior to conversion to Academy status, and was judged to be 'outstanding'.

Staffing changes have been a significant feature of the past year. In December 2015 the Headteacher retired after 15 years in post. The Board of Trustees recruited a new Headteacher who had ten years' experience of headship and was previously Headteacher of another stand-alone church Academy. He took up post in January 2016. An Assistant Head has also left the school and been replaced in the current year. Three other teachers joined the school in September 2015 to take up vacant posts.

The changes in staffing have necessitated considerable induction training. At the same time, rapid changes in the curriculum and assessment have created significant training needs for all staff.

This year continuing professional development for staff has been focussed on achieving a sustained improvement in writing and on successful implementation of new assessment strategies linked to the new curriculum and testing regimes. Other areas of training have included speech therapy and emotional literacy, social skills, maths mastery teaching, autistic spectrum disorders and behaviour management. Mandatory training such as first aid skills, specific medical needs, health and safety and safeguarding have also been updated.

Teaching and support staff have undertaken continued training in the new English curriculum, with a particular focus on writing. This has helped to raise attainment and progress so that our pupils achieved well against national standards in writing, while maintaining the excellent attainment and progress in all other areas of the curriculum (see data above).

Staff training has also been focused on devising and implementing new assessment systems. The school's assessment system, Learning Ladders, is now clearly understood by staff and is fully integrated with the latest national assessment frameworks. In the Foundation Stage, staff were trained to implement baseline assessment, which they did very successfully. Although the baseline system was abandoned by the Government late in the year, it gave us valuable information and has been retained. Staff working with Y2 pupils were trained in implementing new SAT tests and teacher assessment criteria.

World-renowned expert Jenny Moseley came to the school to undertake Positive Playtimes training with all support staff. This resulted in enhanced teamwork, more skillful staff and better adult-pupil relationships, with a significant positive impact on pupil welfare and behaviour. We have continued to train staff as Emotional Literacy Support Assistants (ELSAs) and a member of staff has undertaken a comprehensive speech therapy training course. Assessment has been made of particular pupil needs and staff working with them have received specialist training including Team Teach and Lego social skills.

In addition a Higher Level Teaching Assistant has undertaken Level 5 PE training to become the Academy's PE Specialist. Administrative staff have also received training in pupil and staff database software, employment law and data protection.

Key Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. Funded pupil numbers for at 2015/16 were 421. It is anticipated that this number will continue to rise due to local housing development and the growth of the largest employer in Malmesbury, Dyson.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 83% (2015: 81%).

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 Going Concern policy.

**MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, total expenditure (excluding restricted fixed asset funds) of £1,840,317 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,790,123. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £50,194.

At 31 August 2016 the net book value of fixed assets was £5,014,983 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity.

Key financial policies adopted or reviewed during the year include the Financial Management Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included the Financial Procedures Manual, Charging and Remissions, Lettings, Gifts & Hospitality, Anti-Fraud and Corruption and Governors' Allowances.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have agreed a reserves policy of £100,000 but in 2015/16, the Academy's reserves fell below this level for the first time. The Academy current level of free reserves is £60,112. The Trustees are aware of the situation and agreed a budget for 2016 onwards with the proviso that the SLT will meet every term with Finance Committee Trustees to monitor the ongoing situation, agree a recovery plan and implement this in a timely manner. The first meeting was held on 20 September 2016 and investigated three medium term recovery strategies relating to either pupil numbers, or staffing, or a combination of these. More detailed investigations are underway, and in addition additional opportunities for cost savings and/or income generation in the short to medium term are actively being pursued.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income, whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the Academy.

Investment Policy

All funds surplus to immediate requirements are invested to best effect.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Business Manager within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 97% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed an Internal Assurance Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools and organisations to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Development Plan 2015 - 17, which is available on our website or from the Clerk to the Trustees.

We plan to maintain suitable class sizes for the age and aptitude of the pupils. All classes have proportionate teaching assistant support. This will reflect in academic outcomes being improved.

The Academy will continue to consider expansion over the next 12 months. As an alternative we have also been asked to consider sponsorship of a new free school in the town. This will involve liaison with a wide range of partners and stakeholders, including parents, local residents, housing developers, planners, the Local Authority and the Department for Education.

The Academy has engaged with the Bristol Diocese over possible membership of its Multi-Academy Trust and will continue to discuss and explore this option. We will also maintain our dialogue with a number of other partners and explore the full range of options in relation to closer working, both with existing Academies and with schools currently controlled by the Local Authority.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

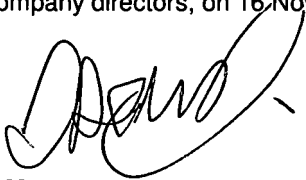
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as company directors, on 16 November 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'L Mussett', is written over the printed name and title.

**L Mussett
Acting Chair of Trustees**

**MALMESBURY C OF E PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Wilton, Chair until 16 March 2016	3	3
L Mussett, Acting Chair from 18 May 2016	6	7
N Smethurst, Vice Chair	7	7
S Heal, Headteacher until 31 December 2015	6	6
S Wilson, Headteacher from 1 January 2016	7	7
J Staton	2	2
N Archer	2	7
F Auty	5	7
E Bendall	6	7
R Bristow	6	6
J Brown	4	7
J Brown	5	7
C Cox	6	7
C Davies	6	7
J Jenkins	7	7
D Moore	7	7
R Snedden	6	7
R Ward	3	5

There have been 5 resignations and one appointment to the Board of Trustees during 2015/16. The Headteacher, J Staton, retired in December 2015 and S Heal replaced him in January 2016. The Chair of Trustees resigned in March 2016 but will continue to be a Member. The Chair role is being undertaken by L Mussett (Community Trustee) pending a permanent appointment. R Ward has resigned as a Trustee but will continue in an Associate role with safeguarding expertise. As at August 2016 there are two Community Trustee vacancies and two Parent Trustee vacancies, for which recruitment commenced in September 2016, and the Board will be seeking complementary skill sets to support the proposed school expansion project.

As the incumbent vicar, N Archer is automatically a Trustee of Malmesbury C of E Primary School. However as the Reverend Canon of Malmesbury Abbey and Area Dean for North Wiltshire, he has a considerable workload and is often unable to attend Trustee meetings due to other commitments. In these instance, J Monaghan, Curate of Malmesbury Abbey, attends in place of N Archer and undertakes his voting rights on those specific occasions only.

The Diocese of Bristol Academies Company (DoBAC) is a Member of the Board of Malmesbury C of E Primary School and is represented at Board meetings by L Townend (in previously the DoBAC Member representative was N Archer).

**MALMESBURY C OF E PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

The possible expansion of the school has arisen due to the proposed amount of housing development in Malmesbury and the subsequent provision of Section 106 funding. The Local Authority calculates that the proposed housing will require an additional 100 primary school places, and thus the funding supports only an extension which would necessitate mixed age classes. The Board of Trustees agreed an overarching principle that the school's current two form entry arrangement must not be compromised and therefore only a full form expansion of an additional 210 places would be acceptable. The situation is complex and ongoing.

The Board of Trustees carried out a skills audit in 2014/15 and used the results to inform a retention and replacement strategy going forwards. All Trustees have had access to resources including membership of the national Governors' Association and Wiltshire Council's Governor Support package.

The Headteacher recruitment process prompted a review of the Board of Trustees knowledge and understanding of the new National Standards of Excellence for Headteachers. T Whittingham delivered a presentation to all Trustees in October 2015, prior to the recruitment panel's activities. The course was also offered to heads and governors of cluster schools and all participants gave very positive feedback on course's relevance and value.

The Finance and Staffing Committee is a sub-committee of the main Board of Trustees. Its strategic purpose is to:

- Ensure that all strategic goal action plans are funded as fully as possible within the constraints of the school budget.
- Ensure that teaching is effective by developing, promoting and sharing good practice and ensuring that learning opportunities for all pupils are maximised.

Areas of responsibility include:

- Setting the annual school budget with reference to the priorities identified in the School Improvement Plan and recommending the budget for approval by the Board of Trustees.
- Monitoring income and expenditure against predicted levels.
- Ensuring that the school achieves value for money in its budgetary decisions and that appropriate financial procedures are in place for the effective discharging of staff responsibilities in terms of financial management.
- Provide internal audit process and participate in risk management for the Academy.
- Establishing and maintaining appropriate levels of staff.
- Ensuring that all teachers and assistants are suitably qualified, effective practitioners who can successfully meet the needs of pupils and able to contribute to the development of the school.
- Monitor the operation of the performance management policy.
- Work closely with curriculum committee to create a staff development programme to promote effective planning and active learning.
- Review deployment of resources across Key Stages building on success of previous school improvement plan initiatives.

Areas of particular focus in 2015/16 for the Finance & Staffing Committee included the recruitment of a new Head and Assistant Head, the retirement of a long serving teacher on medical grounds, the re-evaluation of the PE Specialist's role, financial benchmarking, and staff performance management (including continuing professional development and new teacher induction). The Finance and Staffing Committee also contributed to the proposed school expansion discussions. From early 2016 it became clear that budgets would be much leaner going forwards and the Finance and Staffing Committee have worked proactively with the Chief Financial Officer to create sustainable future plans and are committed to ongoing monitoring as well as providing support to the SLT.

**MALMESBURY C OF E PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

There was one resignation from the committee during the year and one transfer. C Davies moved from Curriculum and Premises to provide Foundation Trustee representation on the Finance and Staffing Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Davies	0	1
E Bendall	4	6
J Brown	6	6
D Moore	4	6
L Mussett	4	6
R Snedden	5	6
J Staton	2	2
R Ward	2	5
C Wilton	2	2
T Osborne	6	6

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Academy's governance, risk management, internal control and value for money framework. It reports its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the Academy's annual reporting requirements. The Audit Committee has no executive powers or operational responsibilities/duties.

In August 2016 the Audit Committee reviewed the Financial Controls and Assurance Reports dated November 2014, April 2015, August 2015, November 2015, December 2015, June 2016 and July 2016. Areas covered were:

- Income procedures
- Disaster recovery & business continuity planning
- BACS payment procedures
- Financial Reporting to Trustees & audit
- Novel/contentious transactions
- Catering
- External auditor's management recommendations
- Purchasing procedures
- Asset management.

Attendance at the meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
E Bendall	1	1
N Smethurst	1	1
R Snedden	1	1

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.

GOVERNANCE STATEMENT (continued)

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

- Robust financial governance and budget management (eg: produced sustainable 3 year budget plan for Sept 2016- Aug 2020 in the face of a challenging financial outlook).
- Value for money purchasing. (eg: encouraged budget holders to request discounts, which on one £6,000 order, resulted in a £950 discount).
- Reviewing controls and managing risk (eg: Risk Register completed and reviewed).
- Considering allocation/targeting/use of resources including staff (eg: Using Pupil Premium and delegated revenue funding to support interventions (such as booster groups, Parent Support Advisor services and inclusion measures such as funding for extra curricular activities and trips). Resource allocation based on data analysis and other qualitative data to ensure pupil attainment and to narrow the gap for disadvantaged pupils. A particular focus has been on working with SEN practitioners (eg: SENCO, KS1 SEN HLTA, EYFS SEN support worker, Play Therapist and Counsellor) to support engagement and attainment.
- Making comparisons with similar Academies using benchmarking data provided by the EFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency (eg: proposed school expansion project).
- Reviewing quality of curriculum provision and quality of teaching (eg: weekly & minuted SLT meetings).
- Reviewing quality of children's learning to enable children to achieve nationally expected progress (eg: SLT meetings & SATS Results presentation to Board of Trustees).

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 Malmesbury C of E Primary School 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.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Staffing 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.

**MALMESBURY C OF E PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed R Snedden, a Trustee and qualified accountant, as Internal Assurance Officer, (IAO), along with the Audit Committee, to carry out a programme of internal checks. The Academy also purchases the Financial Controls & Assurance Service from Wiltshire Learning Trust to support the IA in the execution of checks and controls

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

- Testing of payment systems
- Testing of purchase systems
- Testing of income procedures.

On an annual basis, the IAO reports to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- The work of the external auditors;
- The work of the IAO.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address areas of medium/high risk, to consider recommendations and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 November 2016 and signed on their behalf, by:



L Mussett
Acting Chair of Trustees



S Heal
Accounting Officer

**MALMESBURY C OF E PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Malmesbury C of E Primary School I have considered my responsibility to notify the Academy 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 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.

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

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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.



S Heal
Accounting Officer

Date: 16 November 2016

**MALMESBURY C OF E PRIMARY SCHOOL
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Malmesbury C of E Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**L Mussett
Acting Chair of Trustees**

Date: 16 November 2016

**MALMESBURY C OF E PRIMARY SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF MALMESBURY C OF E PRIMARY SCHOOL**

We have audited the financial statements of Malmesbury C of E Primary School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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) 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 TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 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 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 Trustees' Report, incorporating the Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

**MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF MALMESBURY C OF E PRIMARY SCHOOL**

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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Bishop Fleming LLP

David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

16 December 2016

**MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
MALMESBURY C OF E PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18 July 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 Malmesbury C of E Primary School 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 Malmesbury C of E Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Malmesbury C of E Primary School and 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 Malmesbury C of E Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MALMESBURY C OF E PRIMARY SCHOOL'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Malmesbury C of E Primary School's funding agreement with the Secretary of State for Education dated 19 December 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 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
MALMESBURY C OF E PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.

Bishop Fleming LLP

David Butler FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: *16 December 2016*

MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
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 £
INCOME FROM:						
Donations and capital grants	2	4,776	50,238	12,338	67,352	69,760
Charitable activities	3	53,512	1,661,806	-	1,715,318	1,677,780
Other trading activities	4	19,550	-	-	19,550	22,295
Investments	5	241	-	-	241	291
TOTAL INCOME		78,079	1,712,044	12,338	1,802,461	1,770,126
EXPENDITURE ON:						
Charitable activities		146,188	1,728,129	129,599	2,003,916	1,905,948
TOTAL EXPENDITURE	6	146,188	1,728,129	129,599	2,003,916	1,905,948
NET EXPENDITURE BEFORE TRANSFERS		(68,109)	(16,085)	(117,261)	(201,455)	(135,822)
Transfers between Funds	17	-	(20,924)	20,924	-	-
NET EXPENDITURE BEFORE OTHER GAINS AND LOSSES		(68,109)	(37,009)	(96,337)	(201,455)	(135,822)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(294,000)	-	(294,000)	53,000
NET MOVEMENT IN FUNDS		(68,109)	(331,009)	(96,337)	(495,455)	(82,822)
RECONCILIATION OF FUNDS:						
Total funds brought forward		128,221	(249,991)	5,111,320	4,989,550	5,072,372
TOTAL FUNDS CARRIED FORWARD		60,112	(581,000)	5,014,983	4,494,095	4,989,550

The notes on pages 32 to 49 form part of these financial statements.

MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08483768

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		5,014,983		5,111,320
CURRENT ASSETS					
Debtors	14	34,373		41,103	
Cash at bank and in hand		133,452		181,033	
		<u>167,825</u>		<u>222,136</u>	
CREDITORS: amounts falling due within one year	15	(107,713)		(90,906)	
NET CURRENT ASSETS			<u>60,112</u>		<u>131,230</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,075,095</u>		<u>5,242,550</u>
Defined benefit pension scheme liability	23		(581,000)		(253,000)
TOTAL NET ASSETS			<u><u>4,494,095</u></u>		<u><u>4,989,550</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	17	-		3,009	
Fixed asset funds	17	5,014,983		5,111,320	
		<u>5,014,983</u>		<u>5,114,329</u>	
Restricted funds excluding pension liability					
Pension reserve		(581,000)		(253,000)	
		<u></u>		<u></u>	
Total restricted funds			4,433,983		4,861,329
Unrestricted funds	17		60,112		128,221
TOTAL FUNDS			<u><u>4,494,095</u></u>		<u><u>4,989,550</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 November 2016 and are signed on their behalf, by:



L Mussett
Acting Chair of Trustees

The notes on pages 32 to 49 form part of these financial statements.

MALMESBURY C OF E PRIMARY SCHOOL
(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 (used in)/provided by operating activities	19	<u>(23,284)</u>	<u>70,765</u>
Cash flows from investing activities:			
Interest received		241	291
Purchase of tangible fixed assets		(33,262)	(101,779)
Capital grants from DfE/EFA		<u>8,724</u>	<u>8,691</u>
Net cash used in investing activities		<u>(24,297)</u>	<u>(92,797)</u>
Change in cash and cash equivalents in the year		(47,581)	(22,032)
Cash and cash equivalents brought forward		<u>181,033</u>	<u>203,065</u>
Cash and cash equivalents carried forward	20	<u><u>133,452</u></u>	<u><u>181,033</u></u>

**MALMESBURY C OF E PRIMARY SCHOOL
(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), judgments and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, 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.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

Malmesbury C of E Primary School 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 Malmesbury C of E Primary School 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 Malmesbury C of E Primary School 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 Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy 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.

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

1. ACCOUNTING POLICIES (continued)

1.3 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.4 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 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 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.

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.

1.5 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.

Charitable activities 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.

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

On conversion the academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long term leasehold building	-	50 years straight line
Long term leasehold land	-	125 years straight line
Fixtures and fittings (external)	-	10% straight line
Fixtures and fittings (internal)	-	20% straight line
Computer equipment	-	50% straight line

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

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 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.

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

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

1. ACCOUNTING POLICIES (continued)

1.10 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 and cash on deposit that has a notice period of less than 30 days.

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.13 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 23, 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.

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

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Academy 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 23, 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.

Critical areas of judgment:

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

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	4,776	50,238	3,614	58,628	61,069
Capital Grants	-	-	8,724	8,724	8,691
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	<u>4,776</u>	<u>50,238</u>	<u>12,338</u>	<u>67,352</u>	<u>69,760</u>

In 2015, of the total income from donations, £10,813 was unrestricted, £50,256 was restricted and £8,691 was restricted fixed asset funds

MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	1,489,149	1,489,149	1,421,344
Other DfE/EFA grants	-	123,087	123,087	133,059
	-	1,612,236	1,612,236	1,554,403
Other Government grants				
High Needs	-	37,365	37,365	33,264
Other Government grants: non-capital	-	11,394	11,394	30,766
	-	48,759	48,759	64,030
Other funding				
Internal catering income	42,754	-	42,754	37,079
Income for hosting trainee teachers	-	-	-	910
Sales to students	7,206	-	7,206	6,771
Other	3,552	811	4,363	14,587
	53,512	811	54,323	59,347
	53,512	1,661,806	1,715,318	1,677,780

In 2015, of the total income from charitable activities, £59,347 was unrestricted, £1,618,433 was restricted.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	6,939	6,939	7,111
External Catering	470	470	930
Consultancy	12,141	12,141	14,254
	19,550	19,550	22,295

In 2015, all income from other trading activities was unrestricted.

MALMESBURY C OF E PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	241	241	291
	<u>241</u>	<u>241</u>	<u>291</u>

In 2015, of the total investment income, £291 was unrestricted and £1,000 was restricted.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	1,279,367	102,561	134,112	1,516,040	1,488,934
Support costs	221,189	80,619	186,068	487,876	417,014
	<u>1,500,556</u>	<u>183,180</u>	<u>320,180</u>	<u>2,003,916</u>	<u>1,905,948</u>

In 2015, of the total expenditure on charitable activities, £94,546 was from unrestricted funds £1,670,058 was from restricted funds and £132,344 was in relation to the restricted fixed asset fund.

7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	7,000	6,000
Educational supplies	62,343	81,558
Staff development	15,064	8,602
Educational visits	31,514	34,176
Supply teachers	3,571	6,247
Technology costs	7,253	25,728
Wages and salaries	1,014,707	970,673
National insurance	67,930	59,327
Pension cost	196,730	183,268
Depreciation	109,928	113,355
	<u>1,516,040</u>	<u>1,488,934</u>

MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	3,000	3,000
Educational supplies	4,162	3,284
Other costs	2,024	-
Recruitment and support	15,423	1,909
Maintenance of premises and equipment	26,908	17,668
Cleaning	4,754	2,914
Rent and rates	24,841	19,058
Energy costs	17,830	16,657
Insurance	20,443	20,604
Security and transport	2,604	3,100
Catering	60,362	48,607
Technology costs	19,769	8,051
Office overheads	6,858	5,420
Legal and professional	20,076	16,352
Bank interest and charges	969	794
Governance	16,993	23,380
Wages and salaries	171,250	161,592
National insurance	10,020	8,665
Pension cost	39,919	36,970
Depreciation	19,671	18,989
	487,876	417,014

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	129,599	132,344
Auditors' remuneration - audit	6,600	6,600
Auditors' remuneration - other services	1,250	1,600
Internal audit costs	2,448	1,279
Operating lease rentals	3,648	5,026

MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,182,386	1,126,019
Social security costs	77,950	67,992
Operating costs of defined benefit pension schemes	236,649	220,237
	<u>1,496,985</u>	<u>1,414,248</u>
Supply teacher costs	3,571	6,247
	<u>1,500,556</u>	<u>1,420,495</u>

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

	2016 No.	2015 No.
Teachers	20	18
Educational Support	38	36
Administration	5	5
Management	2	2
	<u>65</u>	<u>61</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	16	15
Educational Support	26	24
Administration	3	3
Management	2	2
	<u>47</u>	<u>44</u>

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
In the band £70,001 - £80,000	1	0

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £304,601 (2015: £313,838).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

MALMESBURY C OF E PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' Remuneration and other benefits was as follows: J Staton: Remuneration £20,000 - £25,000 (2015: £65,000 - £70,000), Employer's pension contributions £0 - £5,000 (2015: £5,000 - £10,000); S Heal: Remuneration £40,000 - £45,000 (2015: £NIL), Employer's pension contributions: £NIL (2015: £Nil); R Bristow: Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2015: £0 - £5,000); and J Brown: Remuneration £20,000 - £25,000 (2015: £10,000 - £15,000), Employer's pension contributions £5 - £10,000 (2015: £0 - £5,000).

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

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £1,892 (2015: £1,120) were reimbursed to 6 Trustees (2015: 3).

Other related party transactions involving the Trustees are set out in note 25.

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSETS

	Long term leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	5,170,948	129,974	71,140	5,372,062
Additions	3,080	16,002	14,180	33,262
At 31 August 2016	5,174,028	145,976	85,320	5,405,324
DEPRECIATION				
At 1 September 2015	179,230	23,338	58,174	260,742
Charge for the year	89,678	19,866	20,055	129,599
At 31 August 2016	268,908	43,204	78,229	390,341
NET BOOK VALUE				
At 31 August 2016	4,905,120	102,772	7,091	5,014,983
At 31 August 2015	4,991,718	106,636	12,966	5,111,320

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14. DEBTORS

	2016 £	2015 £
Trade debtors	7,290	2,803
VAT recoverable	2,474	4,909
Prepayments and accrued income	24,609	33,391
	<u>34,373</u>	<u>41,103</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	1,326	-
Other taxation and social security	23,753	19,849
Accruals and deferred income	82,634	71,057
	<u>107,713</u>	<u>90,906</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September	46,019	41,809
Resources deferred during the year	59,691	46,019
Amounts released from previous years	(46,019)	(41,809)
Deferred income at 31 August	<u>59,691</u>	<u>46,019</u>

At the Balance Sheet date the Academy was holding EFA grants received in advance, for the 2016/17 academic year.

16. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	133,452	181,033
Financial assets measured at amortised cost	15,875	20,200
	<u>149,327</u>	<u>201,233</u>
Financial liabilities measured at amortised cost	<u>(24,269)</u>	<u>(25,038)</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

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

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

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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	128,221	78,079	(146,188)	-	-	60,112
RESTRICTED FUNDS						
General Annual Grant (GAG)	3,009	1,499,454	(1,481,539)	(20,924)	-	-
Pupil Premium	-	47,000	(47,000)	-	-	-
PE and Sports Grant	-	9,815	(9,815)	-	-	-
High Needs	-	37,365	(37,365)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	68,172	(68,172)	-	-	-
Educational visits	-	30,010	(30,010)	-	-	-
Donations	-	20,228	(20,228)	-	-	-
Pension reserve	(253,000)	-	(34,000)	-	(294,000)	(581,000)
	(249,991)	1,712,044	(1,728,129)	(20,924)	(294,000)	(581,000)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	5,030,467	-	(95,609)	-	-	4,934,858
Fixed assets purchased from GAG and other restricted funds	80,853	12,338	(33,990)	20,924	-	80,125
	5,111,320	12,338	(129,599)	20,924	-	5,014,983
Total restricted funds	4,861,329	1,724,382	(1,857,728)	-	(294,000)	4,433,983
Total of funds	4,989,550	1,802,461	(2,003,916)	-	(294,000)	4,494,095

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

RESTRICTED FUNDS

General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) which is to be used for the normal running costs of the Academy, including education and support costs. During the year £20,924 (2015: £41,192) was transferred to the restricted fixed asset fund to represent fixed asset purchased from GAG.

Pupil Premium funding represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying socio-economic inequalities.

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17. STATEMENT OF FUNDS (continued)

PE and Sports Grant funding is funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

High Needs funding is received from the Local Authority to fund further support for students with additional needs.

Universal Infant Free School Meals (UIFSM) represents funding received from the EFA to enable Malmesbury C of E Primary School to offer free school meals to every pupil in reception, Y1 and Y2. Educational visits represents restricted donations received from parents.

Donations represents money received from Friends of Malmesbury C of E Primary School, The School House Trust and parents for maintenance or purchase of Academy assets, as well as educational and extra-curriculum activities. During the year £NIL (2015: £5,000) was transferred to the restricted fixed asset fund to represent fixed asset purchased from donations.

Pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represents the land, buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG, DFC and ACMF funding received from the EFA.

OTHER INFORMATION

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.

18. 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	-	-	5,014,983	5,014,983	5,111,320
Current assets	60,112	102,594	5,117	167,823	222,138
Creditors due within one year	-	(102,594)	(5,117)	(107,711)	(90,908)
Pension scheme liability	-	(581,000)	-	(581,000)	(253,000)
	<u>60,112</u>	<u>(581,000)</u>	<u>5,014,983</u>	<u>4,494,095</u>	<u>4,989,550</u>

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19. 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)	(201,455)	(135,822)
Adjustment for:		
Depreciation charges	129,599	132,344
Returns on investments	(241)	(291)
Decrease in debtors	6,730	60,022
Increase/(decrease) in creditors	16,807	(10,797)
Capital grants from DfE and other capital income	(8,724)	(8,691)
Defined benefit pension scheme cost less contributions payable	24,000	25,000
Defined benefit pension scheme finance cost	10,000	9,000
Net cash (used in)/provided by operating activities	(23,284)	70,765

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	133,452	181,033
Total	133,452	181,033

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. GENERAL INFORMATION

Malmesbury C of E Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Tetbury Hill, Malmesbury, Wiltshire, SN16 9JR.

23. 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 Wiltshire 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.

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

23. PENSION COMMITMENTS (continued)

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 (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 £156,684 (2015: £155,166).

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 £135,000 (2015: £126,000), of which employer's contributions totalled £109,000 (2015: £102,000) and employees' contributions totalled £26,000 (2015: £24,000). The agreed contribution rates for future years are 23.9% for employers and 5.5% for employees.

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23. PENSION COMMITMENTS (continued)

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 at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	554,000	413,000
Debt instruments	115,000	87,000
Property	92,000	70,000
Cash	8,000	12,000
Total market value of assets	769,000	582,000

The actual return on scheme assets was £125,000 (2015: £94,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(133,000)	(127,000)
Net interest cost	(10,000)	(9,000)
Past service cost	(3,405)	-
Total	(146,405)	(136,000)

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	835,000	702,000
Current service cost	133,000	127,000
Interest cost	35,000	27,000
Contributions by employees	26,000	24,000
Actuarial losses/(gains)	322,000	(45,000)
Benefits paid	(1,000)	-
	<u>1,350,000</u>	<u>835,000</u>
Closing defined benefit obligation		

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

	2016 £	2015 £
Opening fair value of scheme assets	582,000	430,000
Interest income	25,000	18,000
Actuarial gains and (losses)	28,000	8,000
Contributions by employer	109,000	102,000
Contributions by employees	26,000	24,000
Benefits paid	(1,000)	-
	<u>769,000</u>	<u>582,000</u>
Closing fair value of scheme assets		

24. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	3,509	3,171
Between 1 and 5 years	2,872	4,430
	<u>6,381</u>	<u>7,601</u>
Total		

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee 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 current or previous period of account.

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26. 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.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		5,072,372	4,989,550
Total funds reported under FRS 102		<u>5,072,372</u>	<u>4,989,550</u>

Reconciliation of net income / (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(125,822)
Pension interest cost		(10,000)
Net movement in funds reported under FRS 102		<u>(135,822)</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £10,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.