

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**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 2018**

Members	Diocese of Bristol Academies Company M Cross S Shaw C Wilton
Trustees	L Mussett, Chair ² S Heal, Headteacher ^{1,2} E Bendall ^{1,3} R Bristow (resigned 31 December 2017) ² J E Brown ¹ J K Brown ² C Cox ^{2,4} E Crabb (appointed 6 March 2018) ¹ C Davies ^{2,4} D Hampton (appointed 30 January 2018) M Harris, Vice Chair ^{2,3} J Jenkins (resigned 30 January 2018) ^{1,4} B Leitch (appointed 27 February 2018) ^{1,3} D Luscombe (appointed 23 July 2018) D Moore (resigned 7 March 2018) ¹ P Muir-McCleod (appointed 23 July 2018) C Osborn ² N Roberts ¹ R Snedden (resigned 29 November 2017) ^{1,3} R Steele (resigned 23 July 2018) ¹ E Vizor (appointed 23 July 2018) S Wilson (resigned 4 February 2018) ¹

¹ Finance and Premises Committee

² Curriculum and Staffing 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	S Heal, Headteacher J Watkins, Deputy Headteacher (appointed 04 June 2018) R Wyatt, Lower KS2 Leader (appointed 01 January 2018) D Hampton, Upper KS2 Leader (appointed 01 January 2018) B Garner, Assistant Head, Milepost 2 (resigned 31 August 2018) R Bristow, Assistant Head, Milepost 3 (resigned 31 December 2017) T Osborne, School Business Manager S Applegate, EYFS Leader
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**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 2018**

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 2018**

The Trustees present their annual report together with the financial statements and Auditors' Report of the charitable company for the year ended 31 August 2018. 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 429 in the school census on 18 January 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy (was incorporated on 11 April 2013 and opened as an Academy on 1 June 2013) 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 Trust, 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 Trust. 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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. 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 governors are provided with access to its online resources.

Organisational Structure

The Board of Members normally meets once a year. 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 Board of Members also re-appoint the auditors and discuss any other matters arising.

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 & Premises 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. It also monitors, assesses and recommends the commissioning of works to all buildings and other infrastructure work, including health and safety requirements.
- **Curriculum and Staffing 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 sets staffing levels and receives reports with regards to staffing issues, employment law and recruitment.
- **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 audit and make recommendations to the Board of Trustees regarding compliance and regularity.
- **Foundation Governors:** meets at least 3 times per year to monitor and encourage the Christian distinctiveness of the school.

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 the School Leadership Team (SLT). The SLT comprises of the Headteacher, Deputy Headteacher, Assistant Headteacher, EYFS Leader, Lower KS2 Leader, Upper KS2 Leader and the School Business Manager.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The Academy has a leadership structure which consists of the Trustees and The School Leadership Team. 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 Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

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, and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with nine local cluster primary schools and Malmesbury Secondary School Academy. This is the Malmesbury Area Learning Community. During 2017-18 the academy continued its memberships of the Pickwick Learning Teaching Schools Alliance and the Avon Teaching Schools Alliance. In addition in 2017-18 the academy participated in the Educational Development Trust (formerly Council for British Teachers) School Partnership Programme, a peer review framework.

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.

Related parties and others connected Charities and Organisations

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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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

mission that we are '*Growing together in wisdom and love; discovering life in all its fullness*'.

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

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.

These aims are summarised in our vision statement: "*Growing together in wisdom and love; discovering life in all its fullness.*"

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 2018 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, and to consider the expansion of the school to provide additional school places to fulfil increased demand arising from local housing development.
- to ensure that every pupil has equal access to high quality education in terms of resources, quality of teaching and care.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- 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, reaching and exceeding expected standards 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, the Bristol Diocese and the wider local community.
- to continue to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- to manage a period of change resulting from staff turnover, so that the academy's high standards are maintained in all areas.
- to enhance the teaching of writing so that attainment and progress are above the national average.
- to ensure longer term financial sustainability in a national climate of rising costs and diminishing funding.
- to engage the whole school community in developing a renewed vision for the next five years.

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.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan which is available from the Clerk to Governors. Improvement focuses identified for this year include:

- Ensure increased levels of attainment in writing by continuing to implement strategies developed over the previous year.
- Reading: Sustaining continued levels of high attainment and positive rates of progress in reading for all pupils.
- Ensure continued good levels of attainment in mathematics for all pupils. Improve pupils' skills in the areas of Number and Calculation.
- ICT: To form a new team and begin replacing equipment in order to renew Apple Distinguished School status in 2019, while also developing coding and windows skills.
- To develop the outdoor play area by providing a new timber activity trail, continue the programme of redecorating and refurbishment of classrooms, and further equip the spaces available for Special Education Needs provision.
- Creating, articulating and sharing a new long term vision statement for the school. Engaging all stakeholders in the delivery of the vision creating a 5-year strategic plan of initiatives and activities drawn from consultation with the whole school community.
- To further develop the school's Church of England ethos, introducing a new scheme of work for teaching Christianity, training staff on delivering collective worship and preparing the school for inspection under the Statutory Framework for Inspection of Anglican and Methodist Schools (SIAMS).
- To develop our childcare provision to include after school as well as morning provision.

Key activities were influenced by the significant challenges arising from national changes in education policy and funding. The activities included the following:

- Implementation of cuts to staffing levels in the light of budgetary pressure.
- Alteration to teaching practice and staff deployment to minimise the effects of cuts to staffing and maximise the impact of staff actions (e.g. alteration to the Feedback and Marking Policy).
- Continued development of systems for tracking and monitoring pupil attainment.
- Continued rigorous pursuit of best value in all procurement decisions.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum, conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

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.

As an Academy we have a duty to support other schools. This is achieved through a number of collaborations, most notably as members of the Pickwick Learning Alliance, the Avon Schools Teaching Alliance, the Schools Partnership Programme, the local cluster of primary schools, the Bristol Diocese family of schools and the community of Apple Distinguished Schools.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fifth year of operation and has exceeded the forecast number of students. The total number of students in January 2018 census was 429 (PAN 420), but this has decreased to 421, due to a low birth rate year affecting the Reception Class intake. Due to pressure on school places in Malmesbury, we have admitted one extra child per class above the PAN in Key Stage 2. We continue to be full and maintain waiting lists in most year groups and anticipate a rise in pupil numbers over the coming year.

At Key Stage 2, a particularly challenging year group achieved good results in terms of its attainment, although the measures of progress were low, because of very high Key Stage 1 assessments for this year group. This reflects the high level of need in the year group. Children in Year 6 had an above average level of social, emotional and behavioural needs, but despite this they managed to perform significantly above national averages in terms of their attainment. This demonstrates the excellent teaching of the staff and work of the pastoral support team at Malmesbury Primary School. We were particularly impressed with the results of the children in writing, an area which has been a focus of school development over the last two years.

SATS

	School	National
Reading	84%	75%
Writing	86%	78%
Maths	75%	76%

At Key Stage 1, pupils have exceeded national averages for attainment in all areas. The percentages of children working at or above the expected standard for their age were:

	School	National
Reading	83%	76%
Writing	75%	68%
Maths	83%	75%

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

In the Year 1 Phonics check the school exceeded the national average pass rate for the third successive year. This year's cohort contained an unusually high number of children with learning difficulties, so the pass rate was slightly reduced from the two previous years, but still exceeded the national average.

In the Foundation Stage, increased proportions of children met each learning goal, with attainment in reading, writing and maths all comfortably exceeding national averages. We were particularly pleased with a 9% increase in the proportion of pupils reaching the Writing Early Learning Goal. The overall figure for children achieving a Good Level of Development was slightly reduced on the previous year due to the physical and emotional difficulties of some children.

The Academy was inspected in March 2018 under the Statutory Framework for the Inspection of Anglican and Methodist Schools (SIAMS) and was judged to be Outstanding. The previous judgment, in 2013, had been Good.

The Academy continues to provide an inspirational curriculum, filled with experiences which ignite the children's passion for learning. This is achieved through the International Primary Curriculum, which supports integrated, cross-curricular themed learning. A wide range of off-site visits supports the curriculum, including a residential trip in Year 4 and a full week in France in Year 6.

In September 2017, the Academy implemented some redundancies in non-teaching posts. This was done very reluctantly but was necessary in order to ensure the Academy's long term financial stability. At the year-end, the academy has managed to run a small in-year surplus, making good progress towards its target figure for reserves. Despite the challenging financial landscape, the Academy has managed to maintain the provision of teaching assistants in each class as follows:

Foundation Stage: Two teaching assistants in the morning, and one in the afternoon
Years 1 and 2: a teaching assistant all day
Years 3 to 6: a teaching assistant in the morning.

Staffing changes have been significant. The deputy head moved onto headship at the start of the school year, while an assistant head moved to take up a deputy headship at Christmas. A new Deputy Head was appointed at Easter, following a rigorous interview process involving four high quality candidates. The school's senior leadership team has been reshaped, bringing in experience from other schools and also developing the leadership of existing members of staff.

The Academy has also benefitted greatly from the help of volunteers, both parents and other members of the community. They have helped with reading, writing, maths, drama and trips out of school.

The Academy values enormously the partnership with the Parents' Association (FOMPS). A large part of their work is on social events which bring the school community together and on things which the children enjoy, including organising school discos and paying for travelling theatre companies. Their fundraising work has been huge. In the past year they have paid for a new outdoor activity trail at a cost of around £12,000 and have also funded inspirational new ICT equipment to assist in the teaching of coding and control technology. Their commitment to the children and Academy is inspirational.

The Academy established a new childcare provision, initially after school in a trial basis in the summer term of 2017. Due to its immediate success, the provision was made permanent from September 2017 and expanded to operate after school. It has gone from strength to strength, ensuring a safe, nurturing wrap-around care for children with staff who they know. The provision is much appreciated by parents.

In September 2017 the Academy employed a new chef, who has taken the already excellent provision of school meals to new heights. The quality of the food is attested by the fact that 75% of children regularly have a school dinner. The operation is also on a firm financial footing.

During the year the Academy completed the redecoration of the Year 2 and 3 classrooms and shared areas as part of our ongoing programme. A new video camera system has also been installed. In the annual Health and Safety inspection the Academy was described as "exemplary".

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Continuing professional development for staff has been very successful with 3 teaching staff undertaking the National Professional Qualification for Middle Leadership. Their work has moved the Academy forward in the teaching of Science, ICT and the training of 13 support staff in Lego therapy. Teaching staff have all received training on Mastery teaching in mathematics, at a full training day and subsequent follow-up sessions.

Key Performance Indicators

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2017-18 this was 98%, compared to 106% in 2016-17.

As funding is based on pupil numbers this is also a key performance indicator. Funded pupil numbers for 2017-18 were 429, an increase of 9 over 2016-17. It is anticipated that this number will continue to rise.

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.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA 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 2018 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 period ended 31 August 2018, total expenditure of £1,816,781 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,806,524 and brought forward reserves. The excess of expenditure over income for the period (excluding restricted fixed asset funds) was £56,390.

At 31 August 2018 the net book value of fixed assets was £4,819,737 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 Activities.

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 Lettings Charges, Anti-Fraud and Corruption, Charging and Remissions, Gifts and Hospitality, Governors' Allowances and Procurement and Tendering.

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 previously determined that the appropriate level of free reserves should be approximately £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In

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2015-16 the actual reserves fell considerably below this level and the Trustees discussed whether the level should be reduced. It was agreed that £100,000 was a prudent aspiration and should remain.

At 31 August 2018, total reserves of the academy amount to £4,722,433, although £4,594,737 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £127,696 (representing £107,245 unrestricted funds and £20,451 unspent GAG) is the balance of the Trustees monitor in accordance with the Board's reserves policy.

The trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £20,000 in addition to the typical annual budget allocation, to be ring fences for premises repairs and replacements as the building's 10 year new-build guarantee has now expired. In addition, unspent funds will be rolled forward each year as restricted funds.
- ICT: It has been acknowledged that renewal of the school's ICT infrastructure and equipment must be prioritised in the allocation of funds once the target level of reserves has been reached.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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, although recent funding cuts have negated any meaningful balance surplus so currently all funds remain in the academy's current bank account. No other form of investment is authorised.

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 may be 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 ESFA. In the last year 90% 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. Staffing costs per head continue to rise, in particular employers' National Insurance and pension contributions, along with pressure from national agreements on cost of living pay awards and incremental salary scale awards. For September 2018, unusually admission of Reception pupils is below PAN; however this is due to a low birth-rate year and given the level of planned housing development in Malmesbury, and the school's over-subscribed status in all other years, it is not anticipated that this poses a long term material threat to pupil-led funding levels.

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, with greater scrutiny applied since the introduction of the General Data Protection Legislation in May 2018.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 pupil progress 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 behaviour management.

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 a Responsible Officer/Internal Audit 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, reviewed and updated on a regular basis. Trustees discuss risk management and strategic response regularly. The Risk Register and Risk Management 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 generally over-subscribed, risks to revenue funding from a falling roll are small. However, during 2014-15 it was anticipated that the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs would mean that budgets would be increasingly tight in following years. This risk materialised in 2016-17 and the Trustees and SLT worked closely to agree a proactive and timely solution based on both cost reduction and income generation. Corrective measures were taken, the results of which impacted from September 2017. These included:

- Redundancies of 6 temporary Teaching Assistant contracts on 31/08/2017.
- Admission of 2 additional pupils per year in KS2 from Easter 2017 (an increase of 8 pupils, which enhanced pupil-led funding).
- Growth of Breakfast Club (established in March 2017) into a wrap-around childcare provision from September 2017 ('Peas in the Pod').
- Careful control of supply cover costs and a drive to increase consultancy income in 2016-17 resulting in an increase to year end reserves of £26,000 year on year.

Budget planning for 2018 – 2021 has continued in the same vein, having been created with prudence to ensure long term financial and service sustainability, and restore a greater level of reserves.

The Trustees examine the financial health formally every term (6 times per year). They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The School Business Manager reviews cash flow forecasts and ensures 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 or debtors 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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Academy does not carry out any formal fundraising practices and does not work with any commercial or professional fundraisers. In 2017-18, applications were made where funding opportunities were identified and the academy was awarded grants of:

- £1,000 (for sensory room equipment) from the Tesco Community Fund,
- £2,500 (for STEM education) from Dyson,
- £1,450 (for year 6 French residential trip and Play Therapy provision) from Malmesbury Area Community Trust,
- £512 (for EYFS resources) from Malmesbury & Tetbury District Round Table (Bonfire Committee)

A donation of outdoor furniture and bird boxes was received from Wates Construction

The PTA (Friends of Malmesbury Primary School) is the principal fundraiser for the school and secured the following grants in addition to its fundraising activities:

- £500 from the firm 'Apetito'
- £5,000 from the Co-Op Community Challenge Fund.

The school also enjoys the support of the School House Trust, an independent charitable trust set up using the proceeds from the sale of property. Donations to the school in the current year total £1,384 for a range of specific purposes: assisting children to participate in residential trips, and purchasing a new Science scheme of work. In addition the School House Trust provided presentation bibles to every Year 2 pupil.

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.

1. The Academy's first key objective for the coming year is to develop the teaching of mathematics in the school, providing staff training in Mastery teaching and providing resources to support this approach, in order to raise the attainment of children at all levels. In most year groups attainment is already well above national averages, but we aim to improve attainment at the end of Year 6 from the national average to significantly above average.

2. The second key objective is to engage the whole school community in turning the school's long term vision into a detailed strategic development plan which encompasses all aspects of the school's life.

Within this, staff will be working to:

- Further develop the school's curriculum in Foundation subjects, enriching learning through an ever increasing range of inspiring experiences and provision.
- Develop and enhance the Academy's grounds and buildings.
- Enhance provision for the social development of children and the emotional and mental wellbeing of children and staff.
- Prepare children to be citizens of the future – globally aware, culturally and religiously literate, competent and confident users of ICT.

Staff training time will be allocated to this objective to enable all employees to participate, along with trustees. People will work in teams each containing a cross section of the school's community.

3. A third key objective will be the development of the ICT team, infrastructure and curriculum. This will include the renewal of the Apple Distinguished Schools award and of our Apple Regional Training Centre status.

**MALMESBURY C OF E PRIMARY SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The Academy will continue to collaborate with partner schools and organisations as detailed above to improve the educational opportunities for all our pupils.

Full details of our plans for the future are given in our Academy Development Plan, which is available from the Clerk to the Trustees.

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.

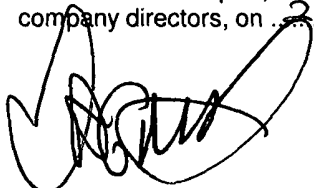
AUDITORS

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.

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 21/11/18 and signed on the board's behalf by:



**L Mussett
Chair of Trustees**

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

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 6 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
E Bendall	5	6
R Bristow	2	2
J E Brown	5	6
J K Brown	5	6
C Cox	6	6
E Crabb	3	3
C Davies	6	6
D Hampton	2	3
M Harris	5	6
S Heal	6	6
J Jenkins	2	3
B Leitch	3	3
D Luscombe	1	1
D Moore	2	3
P Muir-McCleod	1	1
L Mussett	5	6
C Osborn	4	6
N Roberts	4	6
R Snedden	2	2
R Steele	1	5
E Vizer	1	1
S Wilson	2	3

There have been 6 resignations, 5 appointments and 1 reappointment to the Governing Body during 2017-18. Two Parent Governor appointments were made (Daren Luscombe and Paula Muir-McLeod) and 1 Community Governor was appointed (Ewen Vizer). These appointments were made with regard to the skill set of the existing trustees and informed by a skills audit of governors carried out in May 2018. Two Foundation Governors were appointed (Ellie Crabb and Brian Leitch) to enhance representation from additional places of worship in the locality. One Staff Trustee (Deborah Hampton) was appointed and a further staff trustee (Judith Brown) reappointed, maintaining Governing Body representation of both teaching and support staff. Following this relatively high turnover the Governing Body carried out a skills self-audit to inform recruitment of vacant positions and the Governing Body starts the 2017-18 academic year fully populated and with a broad and deep skill set.

In 2016-17 the Governing Body's primary focus was on expansion of the school, due to the proposed amount of housing development in Malmesbury and the subsequent provision of Section 106 funding. The Local Authority calculated that an additional 100 primary school places would be needed, and thus the resultant funding would support only an extension which would necessitate mixed age classes for our school. The Governing Body 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. Following substantial

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GOVERNANCE STATEMENT (continued)

dialogue between the Governing Body and Local Authority, Wiltshire Council eventually decided to fulfil the additional places by extending a neighbouring village school.

In 2017-18 the Governing Body and Headteacher redefined the school's vision as 'Growing together in wisdom and love; discovering life in all its fullness'. This prompted a 'Vision Day' whereby staff and governors met to consider the medium and long terms aims for the school. Pupils also took part in a similar exercise with all findings being collated and used to inform school improvement planning.

Following the erosion of reserves below the desired level at the end of 2016, the Governing Body (overseen by the Board of Members) continues to focus on sustainable financial planning to re-build the school's reserves to the level stipulated in the reserves policy. This drive saw an increase in reserves of 40% by August 2017 and a 55% increase this year.

The trustees have also managed the recruitment of a new Deputy Head, and a leadership reorganisation following the resignation of an Assistant Head at the end of 2017-18. Going forwards the Governing Body anticipates a period of staffing stability, giving the opportunity to embed the new vision.

The Finance and Premises 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 and work to create a school with a learning environment for our pupils that will inspire and support learning and positively reflect the ethos of continuous improvement that is at the heart of our school.

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 full governing body.
- 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.
- Support internal audit process and participate in risk management for the academy
- Establishing and maintaining a stimulating, safe learning and working environment for pupils and staff.

The area of particular focus in 2017-18 for the Finance & Premises Committee continued to be budget management. The 5 year budget plan set in 2016 indicated a threat of eroding reserves and therefore the trustees reviewed the situation in January 2017. A two-pronged strategy was agreed comprising income generation and reduction of staff costs, which commenced in 2016-17 and continued the following year.

Income generation was achieved by the agreement of the Governing Body to admit an additional 2 pupils per year group in Key Stage 2, resulting in an additional 8 pupils on roll. The Finance and Premises Committee have also overseen the creation of wrap around childcare provision, 'Peas in the Pod' which began with a Breakfast Club trial in March 2017 and from September 2017 offered before and after school childcare. This has grown steadily over its first year and currently is at capacity on some days.

Rob Snedden, a highly experienced and long serving Chair of the Finance Committee resigned in November 2017 so the Chair role was taken on by Emma Bendall, also a qualified accountant. Four other governors' resignations impacted the Finance and Premises Committee in 2017-18, so 2 new governors, Brain Leitch and Ellie Crabb, joined the committee. The Committee has yet to appoint a Chair of Premises, and possibly additional members to this committee, as 3 governors were appointed at the end of the year and decisions as to their specific deployment was agreed to be deferred until the first meeting of the Full Governing Body in 2017-18 when committees will be re-convened. Nigel Roberts was elected as Health and Safety Governor.

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E Bendall	4	5
E Crabb	1	2
J E Brown	4	5
D Moore	2	2
S Heal	5	5
J Jenkins	0	2
N Roberts	2	5
R Snedden	1	1
R Steele	0	5
B Leitch	2	2
S Wilson	1	2
T Osborne	5	5

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

During 2017-18 the Audit Committee reviewed the work of the Accounting Technician (Wiltshire Council's Accounting & Budget Support Team), recommendations of external auditors' management letters (2014-2017) and feedback from visits by Emma Bendall, Audit Committee Chair. Areas covered in greater detail were:

- Use of credit card and compliance with procedures
- Self-Assessment against the 'Musts' of the AFH 2017.

It was agreed that a more efficient use of resource would be for the Audit Committee to meet as part of other governors' meetings, so discussions were minuted at the Finance and Premises Committee meeting on 21/01/18 and the Full Governing Body meeting on 18/07/18.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E Bendall	2	2
M Harris	1	2
B Leitch	1	1
R Snedden	0	0

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management – a target to restore financial reserves to £100,000 by August 2022 has now been achieved.
- Challenging accepted practice and examining its effectiveness and efficiency. In April 2015 the academy moved from the Local Authority-preferred ICT support contract to an alternative provider. This produced a

GOVERNANCE STATEMENT (continued)

cost saving of £1,000 in the first year and the service was vastly improved. As a result we recommended the supplier to other academies and have since received savings of over £3,000 on the renewal costs. Wiltshire Local Authority took notice of this and as a result terminated their agreement with the original supplier and schools became free to contract with other providers. This has resulted in huge cost savings across the Local Authority in addition to those already enjoyed by academies.

- Value for money purchasing – the academy's photocopiers contract was renegotiated in August 2018 to produce a £6,500 saving over the 4 year life of the contract compared to the current one.
- Reviewing quality of curriculum provision and quality of teaching (eg: weekly & minuted School Leadership Team meetings)
- Reviewing quality of children's learning to enable children to achieve nationally expected progress (eg: School Leadership Team meetings & SATS results presentation to Full Governing Body)
- Making comparisons with similar academies using benchmarking data provided by the ESFA, the Government and Kreston UK.
- Deployment of resources to increase best value – the former Children's Centre on the academy's site was decommissioned in July 2016 and passed across to the academy to use. We have since established a wrap-around childcare provision with capacity for 25 children each day which has achieved a gross profit of over £10,000 in its first full year of operation.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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 Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed E Bendall, a Trustee, to carry out a programme of internal checks.

GOVERNANCE STATEMENT (continued)

The Academy also purchases 6 support visits per year from Wiltshire Council's Accounting and Budget Support Team. Our Accounting Technician, Sharon Bembridge, provides informal guidance and support for all financial matters.

The reviewer'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 purchase systems using the credit card
- Testing of purchase systems using the credit card by E Bendall
- Testing of control account/bank account reconciliations by S Bembridge

On an annual basis, the reviewer 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.

The Audit Committee are informed by the work of E Bendall and reports to the Board of Trustees, through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

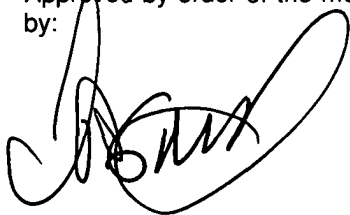
REVIEW OF EFFECTIVENESS

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 reviewer;
- the work of the external auditors;
- the work of the Chief Financial Officer within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 21 November 2018 and signed on their behalf, by:



**L Mussett
Chair of Trustees**



**S Heal
Accounting Officer**

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

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

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

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



**S Heal
Accounting Officer**

21/11/18

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of 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
Chair of Trustees**

Date: 21/11/18

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

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

OPINION

We have audited the financial statements of Malmesbury C of E Primary School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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 opinions we have formed.



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: 14 December 2018

**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 & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Malmesbury C of E Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Malmesbury C of E Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Malmesbury C of E Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Malmesbury C of E Primary School and the ESFA, 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 & SKILLS FUNDING AGENCY
(continued)**

CONCLUSION

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

Bishop Fleming Ltd

David Butler FCA DChA (Reporting Accountant)

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

Date: *14 December 2018*

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

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	5,843	54,645	-	60,488	52,003
Charitable activities	3	54,231	1,634,246	-	1,688,477	1,674,996
Other trading activities	4	57,427	-	-	57,427	37,142
Investments	5	132	-	-	132	120
TOTAL INCOME		117,633	1,688,891	-	1,806,524	1,764,261
EXPENDITURE ON:						
Charitable activities		90,706	1,726,089	121,803	1,938,598	1,931,849
TOTAL EXPENDITURE	6	90,706	1,726,089	121,803	1,938,598	1,931,849
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	26,927	(37,198)	(121,803)	(132,074)	(167,588)
		-	(39,397)	39,397	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		26,927	(76,595)	(82,406)	(132,074)	(167,588)
Actuarial gains / (losses) on defined benefit pension schemes	24	-	236,000	-	236,000	292,000
NET MOVEMENT IN FUNDS		26,927	159,405	(82,406)	103,926	124,412
RECONCILIATION OF FUNDS:						
Total funds brought forward		80,318	(363,954)	4,902,143	4,618,507	4,494,095
TOTAL FUNDS CARRIED FORWARD		107,245	(204,549)	4,819,737	4,722,433	4,618,507

The notes on pages 30 to 51 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 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		4,819,737		4,902,143
CURRENT ASSETS					
Debtors	14	43,550		29,226	
Cash at bank and in hand		193,602		158,154	
		<u>237,152</u>		<u>187,380</u>	
CREDITORS: amounts falling due within one year	15	(109,456)		(101,016)	
NET CURRENT ASSETS			<u>127,696</u>		<u>86,364</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,947,433</u>		<u>4,988,507</u>
Defined benefit pension scheme liability	24		(225,000)		(370,000)
NET ASSETS			<u><u>4,722,433</u></u>		<u><u>4,618,507</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	20,451		6,046	
Fixed asset funds	17	4,819,737		4,902,143	
Restricted funds excluding pension liability		<u>4,840,188</u>		<u>4,908,189</u>	
Pension reserve		<u>(225,000)</u>		<u>(370,000)</u>	
Total restricted funds			<u>4,615,188</u>		<u>4,538,189</u>
Unrestricted funds	17		<u>107,245</u>		<u>80,318</u>
TOTAL FUNDS			<u><u>4,722,433</u></u>		<u><u>4,618,507</u></u>

The financial statements on pages 27 to 51 were approved by the Trustees, and authorised for issue, on 21/11/18 and are signed on their behalf, by:


L Mussett
Chair of Trustees

The notes on pages 30 to 51 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 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>65,981</u>	<u>20,462</u>
Cash flows from investing activities:			
Interest received		132	120
Proceeds from the sale of tangible fixed assets		226	-
Purchase of tangible fixed assets		(39,623)	(4,636)
Capital grants from DfE Group		8,732	8,756
Net cash (used in)/provided by investing activities		<u>(30,533)</u>	<u>4,240</u>
Change in cash and cash equivalents in the year		35,448	24,702
Cash and cash equivalents brought forward		<u>158,154</u>	<u>133,452</u>
Cash and cash equivalents carried forward	20	<u><u>193,602</u></u>	<u><u>158,154</u></u>

The notes on pages 30 to 51 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Malmesbury C of E Primary School constitutes a public benefit entity as defined by FRS 102.

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's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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/donor and include grants from the Department for Education Group.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Where the Academy has been granted use of school buildings from the Bristol Diocesan Board of Finance Limited under Supplemental Agreements, the Academies Accounts Direction prescribes that where the Academy concludes it has control over access and works of the land and buildings they can be recognised as an asset. The land and buildings have been included within the long-term property of the Academy as the Bristol Diocesan Board of Finance Limited are currently not exerting control over the assets.

The Supplemental Agreement includes the right for the Bristol Diocesan Board of Finance Limited Trustees to give not less than 2 years written notice to the Academy and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the Financial Statements.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold 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

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

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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.

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

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	5,843	45,913	-	51,756	43,247
Capital grants	-	8,732	-	8,732	8,756
	<u>5,843</u>	<u>54,645</u>	<u>-</u>	<u>60,488</u>	<u>52,003</u>
Total 2017	<u>6,153</u>	<u>45,850</u>	<u>-</u>	<u>52,003</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,428,776	1,428,776	1,441,571
Pupil Premium	-	45,038	45,038	42,439
UIFSM	-	72,979	72,979	65,332
Other DfE/ESFA grants	-	32,361	32,361	23,191
	-	1,579,154	1,579,154	1,572,533
Other Government grants				
High Needs	-	53,392	53,392	49,734
Other Government grants: non-capital	-	1,700	1,700	1,804
	-	55,092	55,092	51,538
Other funding				
Internal catering income	45,287	-	45,287	43,324
Sales to students	7,599	-	7,599	6,973
Other	1,345	-	1,345	628
	54,231	-	54,231	50,925
	54,231	1,634,246	1,688,477	1,674,996
Total 2017	50,925	1,624,071	1,674,996	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	10,205	10,205	8,822
External catering	65	65	225
Consultancy	19,919	19,919	28,095
Other	27,238	27,238	-
	57,427	57,427	37,142
Total 2017	37,142	37,142	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	132	132	120
	<u>132</u>	<u>132</u>	<u>120</u>
Total 2017	<u>120</u>	<u>120</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	1,249,371	74,695	115,618	1,439,684	1,460,255
Support costs	237,891	108,442	152,581	498,914	471,594
	<u>1,487,262</u>	<u>183,137</u>	<u>268,199</u>	<u>1,938,598</u>	<u>1,931,849</u>
Total 2017	<u>1,524,804</u>	<u>140,599</u>	<u>266,446</u>	<u>1,931,849</u>	

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	7,000	8,000
Educational supplies	47,820	38,661
Staff development	7,712	4,409
Educational visits	14,166	14,321
Supply teachers	11,816	11,759
Technology costs	11,155	10,039
Wages and salaries	941,929	981,943
National insurance	75,948	77,156
Pension cost	218,678	216,628
Depreciation	103,460	97,339
	<u>1,439,684</u>	<u>1,460,255</u>
Total 2017	<u>1,460,255</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	3,000	4,000
Educational supplies	2,955	3,310
Other costs	1,179	409
Recruitment and support	6,473	1,608
Maintenance of premises and equipment	32,397	25,249
Cleaning	26,444	4,601
Rent and rates	22,323	23,951
Energy costs	18,592	14,147
Insurance	8,686	13,277
Security and transport	1,662	1,080
Catering	50,279	59,641
Technology costs	18,352	14,365
Office overheads	5,647	5,934
Legal and professional	28,077	26,238
Bank interest and charges	1,324	1,071
(Profit) / Loss on disposal of fixed assets	(14)	3,080
Governance	14,290	15,258
Wages and salaries	165,012	170,529
National insurance	9,813	10,518
Pension cost	64,066	56,271
Depreciation	18,357	17,057
	<u>498,914</u>	<u>471,594</u>
Total 2017	<u>471,594</u>	

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Academy	121,817	114,396
Auditors' remuneration - audit	6,950	6,815
Auditors' remuneration - other services	1,385	1,275
Operating lease rentals	<u>3,273</u>	<u>3,447</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,106,941	1,147,669
Social security costs	85,761	87,674
Operating costs of defined benefit pension schemes	282,744	272,899
	<u>1,475,446</u>	<u>1,508,242</u>
Agency staff costs	11,816	11,759
Staff restructuring costs	-	4,803
	<u><u>1,487,262</u></u>	<u><u>1,524,804</u></u>
Staff restructuring costs comprise:		
Redundancy payments	-	4,803
	<u><u>-</u></u>	<u><u>4,803</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	20	17
Educational Support	42	38
Administration	5	5
Management	2	2
	<u>69</u>	<u>62</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	15	16
Educational Support	20	23
Administration	3	3
Management	2	2
	<u>40</u>	<u>44</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

**MALMESBURY C OF E PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS (continued)

d. Key management personnel

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 £332,102 (2017: £313,104).

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.

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: S Heal: Remuneration £60,000 - £65,000 (2017: £60,000 - £65,000), Employer's pension contributions: £Nil (2017: £Nil); R Bristow: Remuneration £15,000 - £20,000 (2017: £35,000 - £40,000), Employer's pension contributions £0 - £5,000 (2017: £5,000 - £10,000); D Hampton: Remuneration £30,000 - £35,000 (2017: £Nil), Employer's pension contributions: £5,000 - £10,000 (2017: £Nil); and J Brown: Remuneration £25,000 - £30,000 (2017: £20,000 - £25,000), Employer's pension contributions £5,000 - £10,000 (2017: £Nil - £5,000).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £Nil).

During the year ended 31 August 2018, expenses totalling £619 (2017: £NIL) were reimbursed to 2 Trustees (2017: £Nil).

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.

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13. TANGIBLE FIXED ASSETS

	Long term leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2017	5,170,948	150,612	85,320	5,406,880
Additions	-	14,638	24,985	39,623
Disposals	-	(1,061)	-	(1,061)
At 31 August 2018	5,170,948	164,189	110,305	5,445,442
DEPRECIATION				
At 1 September 2017	356,856	62,561	85,320	504,737
Charge for the year	87,948	21,375	12,494	121,817
On disposals	-	(849)	-	(849)
At 31 August 2018	444,804	83,087	97,814	625,705
NET BOOK VALUE				
At 31 August 2018	4,726,144	81,102	12,491	4,819,737
At 31 August 2017	4,814,092	88,051	-	4,902,143

14. DEBTORS

	2018 £	2017 £
Trade debtors	10,417	5,536
VAT recoverable	3,812	546
Prepayments and accrued income	29,321	23,144
	43,550	29,226

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other taxation and social security	21,664	21,003
Accruals and deferred income	87,792	80,013
	109,456	101,016

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September	56,055	59,691
Resources deferred during the year	62,622	56,055
Amounts released from previous years	(56,055)	(59,691)
Deferred income at 31 August	<u>62,622</u>	<u>56,055</u>

At the Balance Sheet date the Academy was holding ESFA grants, trip and dinner monies received in advance, for the 2018/19 academic year.

16. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>216,383</u>	<u>172,934</u>
Financial liabilities measured at amortised cost	<u>(25,170)</u>	<u>(23,958)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, 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	80,318	117,633	(90,706)	-	-	107,245
RESTRICTED FUNDS						
General Annual Grant (GAG)	1,926	1,428,776	(1,397,049)	(13,202)	-	20,451
Pupil Premium	-	45,038	(45,038)	-	-	-
PE and Sports Grant	-	19,400	(19,400)	-	-	-
High Needs	-	53,392	(53,392)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	72,979	(72,979)	-	-	-
Educational visits	-	21,888	(21,888)	-	-	-
Other restricted funds	-	38,686	(25,343)	(13,343)	-	-
Devolved Formula Capital	4,120	8,732	-	(12,852)	-	-
Pension reserve	(370,000)	-	(91,000)	-	236,000	(225,000)
	(363,954)	1,688,891	(1,726,089)	(39,397)	236,000	(204,549)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	4,841,517	-	(93,125)	-	-	4,748,392
Fixed assets purchased from GAG and other restricted funds	60,626	-	(28,678)	39,397	-	71,345
	4,902,143	-	(121,803)	39,397	-	4,819,737
Total restricted funds	4,538,189	1,688,891	(1,847,892)	-	236,000	4,615,188
Total of funds	4,618,507	1,806,524	(1,938,598)	-	236,000	4,722,433

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17. STATEMENT OF FUNDS (continued)

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 and Skills Funding Agency (ESFA) which is to be used for the normal running costs of the Academy, including education and support costs. During the year £13,202 (2017: £nil) was transferred to the restricted fixed asset fund to represent fixed asset purchased from GAG.

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

Rates funding received from the ESFA equal to the rates payable.

PE and Sports Grant funding is funding received from the ESFA 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 ESFA 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.

Other restricted funds represents restricted donations received from parents and other charitable bodies. Devolved formula capital represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

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 ESFA.

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 2018.

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	60,112	94,340	(74,134)	-	-	80,318
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	1,441,371	(1,439,445)	-	-	1,926
Pupil Premium	-	42,439	(42,439)	-	-	-
Rates	-	13,596	(13,596)	-	-	-
PE and Sports Grant	-	9,795	(9,795)	-	-	-
High Needs	-	49,734	(49,734)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	65,332	(65,332)	-	-	-
Educational visits	-	13,954	(13,954)	-	-	-
Other restricted funds	-	24,944	(24,944)	-	-	-
Devolved Formula Capital	-	8,756	-	(4,636)	-	4,120
Pension reserve	(581,000)	-	(81,000)	-	292,000	(370,000)
	<u>(581,000)</u>	<u>1,669,921</u>	<u>(1,740,239)</u>	<u>(4,636)</u>	<u>292,000</u>	<u>(363,954)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	4,934,858	-	(93,341)	-	-	4,841,517
Fixed assets purchased from GAG and other restricted funds	80,125	-	(24,135)	4,636	-	60,626
	<u>5,014,983</u>	<u>-</u>	<u>(117,476)</u>	<u>4,636</u>	<u>-</u>	<u>4,902,143</u>
Total restricted funds	<u>4,433,983</u>	<u>1,669,921</u>	<u>(1,857,715)</u>	<u>-</u>	<u>292,000</u>	<u>4,538,189</u>
Total of funds	<u>4,494,095</u>	<u>1,764,261</u>	<u>(1,931,849)</u>	<u>-</u>	<u>292,000</u>	<u>4,618,507</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,819,737	4,819,737
Current assets	107,245	129,907	-	237,152
Creditors due within one year	-	(109,456)	-	(109,456)
Pension scheme liability	-	(225,000)	-	(225,000)
	<u>107,245</u>	<u>(204,549)</u>	<u>4,819,737</u>	<u>4,722,433</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,902,143	4,902,143
Current assets	80,318	107,062	-	187,380
Creditors due within one year	-	(101,016)	-	(101,016)
Pension scheme liability	-	(370,000)	-	(370,000)
	<u>80,318</u>	<u>(363,954)</u>	<u>4,902,143</u>	<u>4,618,507</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(132,074)	(167,588)
Adjustment for:		
Depreciation charges	121,817	114,396
Dividends, interest and rents from investments	(132)	(120)
(Profit)/loss on the sale of fixed assets	(14)	3,080
(Increase)/decrease in debtors	(14,324)	5,147
Increase/(decrease) in creditors	8,440	(6,697)
Capital grants from DfE and other capital income	(8,732)	(8,756)
Defined benefit pension scheme cost less contributions payable	81,000	69,000
Defined benefit pension scheme finance cost	10,000	12,000
Net cash provided by operating activities	<u>65,981</u>	<u>20,462</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	193,602	158,154
	<u>193,602</u>	<u>158,154</u>

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 and the registered number is 08483768.

23. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	1,679

24. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

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

Teachers' Pension Scheme

Introduction

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

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

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (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%.

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

The employer's pension costs paid to TPS in the period amounted to £93,995 (2017: £98,844).

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 an unfunded 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 2018 was £131,000 (2017: £129,000), of which employer's contributions totalled £106,000 (2017: £104,000) and employees' contributions totalled £28,000 (2017: £25,000). The agreed contribution rates for future years are 23.5% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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24. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.5 years	22.5 years
Females	24.9 years	24.9 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.7 years

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	904,000	740,000
Bonds	178,000	146,000
Property	166,000	136,000
Cash and other liquid assets	25,000	21,000
Total market value of assets	<u>1,273,000</u>	<u>1,043,000</u>

The actual return on scheme assets was £102,000 (2017: £168,000).

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

	2018 £	2017 £
Current service cost	(187,000)	(173,000)
Interest income	28,000	18,000
Interest cost	(38,000)	(30,000)
Total	<u>(197,000)</u>	<u>(185,000)</u>

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24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening defined benefit obligation	1,413,000	1,350,000
Current service cost	187,000	173,000
Interest cost	38,000	30,000
Employee contributions	25,000	25,000
Actuarial gains	(162,000)	(173,000)
Benefits paid	(3,000)	8,000
Closing defined benefit obligation	1,498,000	1,413,000

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

	2018 £	2017 £
Opening fair value of scheme assets	1,043,000	769,000
Interest income	28,000	18,000
Actuarial gains	74,000	119,000
Employer contributions	106,000	104,000
Employee contributions	25,000	25,000
Benefits paid	(3,000)	8,000
Closing fair value of scheme assets	1,273,000	1,043,000

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	1,426	3,446
Between 1 and 5 years	1,000	2,426
Total	2,426	7,892

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Steve Heal, Trustee, is also Trustee of the School House Trust. During the year the School House Trust donated £1,384 (2017: £2,819) to the Academy. There was no balance outstanding at the year end.