

**Company Registration Number: 08637890** (England and Wales)

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**



**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Mr Phil Dolby Ms Alison Fiona Flower Mr Kevin David Sherrington-Lodge
<b>Trustees</b>	Mr Anthony Keith Bolton (resigned 15 November 2016) Mr Phil Dolby Ms Alison Fiona Flower Mr Neil James Grant Ms Alison Mary Gregory (appointed 26 June 2017) Mr Alistair Graeme Hayward-Wright (resigned 4 January 2017) Ms Alison Margaret Horner Mr Robert Lomas (appointed 30 March 2017) Ms Dulci Marion Morris Mr Rob Poyner Mr Kevin David Sherrington-Lodge Ms Michelle Stack Mr Andrew Michael Whelan (resigned 20 January 2017) Ms Deborah Ann Yarnold, Headteacher Ms Yvonne Elizabeth Bruton Ms Charlotte Louise Hall
<b>Company registered number</b>	08637890
<b>Company name</b>	Astwood Bank First School
<b>Principal and registered office</b>	Church Road Astwood Bank Redditch Worcestershire B96 6EH
<b>Accounting officer</b>	Deborah Ann Yarnold
<b>Senior management team</b>	Ms Deborah Ann Yarnold, Headteacher Ms Dulci Marion Morris, Deputy Headteacher, Ms Sue Warman, School Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
<b>Bankers</b>	Lloyds Bank PO Box 1000 Redditch BX1 1LT

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and Auditors' Report of the charitable company for the year ended 31 August 2017. 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 5 to 9 in Redditch, Worcestershire. It has a pupil capacity of 300 and had a roll of 299 in the school census on 3 October 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust 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 Trust.

The Trustees of Astwood Bank First School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Astwood Bank First School.

Details of the Trustees who served throughout the period from 1st September 2016 to 31st August 2017, except as noted, are included in the Reference and Administrative Details on page 1.

**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 purchased at the Academy Trust's expense 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 limit of this indemnity is £3,000,000.

**Method of Recruitment and Appointment or Election of Trustees**

On 1st October 2013 three Trustees were appointed that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a new term of office to start on 1st October 2013.

Trustees are appointed for a four year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix 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 Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy 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 Trustees. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Organisational Structure**

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

There are 3 committees as follows;

- Finance and Personnel Committee - this meets at least four 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, receiving reports from the external auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Curriculum Committee - this meets once a term 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.
- Buildings and Health and Safety Committee – this meets three times a year.

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

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, Deputy Headteacher and the School Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance. 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 Governor.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The SMT 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. The pay of key management personnel is reviewed annually and normally increased in accordance with pay scales which are set in accordance with County guidance and other academies of a similar size.

**Connected Organisations, including Related Party Relationships**

The Academy has strong collaborative links with other schools which form part of the Redditch pyramid of schools.

There are no related parties which either control or significantly influence the decisions and operations of Astwood Bank First School.

There are no sponsors.

There is a Parent Teacher Association associated with the Academy.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

Astwood Bank First School aims:

- To provide a happy secure environment and foster attitudes which will instil self confidence and create a sense of personal worth.
- To provide a broad and balanced curriculum that stimulates and challenges pupils to enable them to acquire knowledge, skills and understanding relevant to life in the 21st Century.
- To provide a learning environment with a range of sensory opportunities in which pupils can access and organise resources/aspects of their work and become independent learners.
- To provide a curriculum that takes account of individual learning styles as well as promoting physical, social, emotional, creative and spiritual development.
- To promote an atmosphere fostering a sense of caring, tolerance and support alongside an appreciation of different viewpoints which enables each to achieve their own potential.
- To communicate effectively with parents and community and to develop shared goals and values that will support and challenge the pupils.

**Objectives, Strategies and Activities**

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

- Plan for the change to a Primary School for September 2017
- New classrooms and alterations to existing building (Linked to Primary need)
- Embed the new primary curriculum and assessment procedures
- Develop the use of the Nurture Room/Nurture Groups
- Develop children's understanding of another community/school within the UK
- Explore and develop academy status and evaluate our service providers

**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 Trust's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its fourth year of operation.

The academy was inspected in March 2010 and was judged to be outstanding. A quote from the OFSTED report 'Perhaps the most outstanding feature in a long list is the richness and variety of the curriculum. The school has tapped into an exceptionally wide range of opportunities, many involving outside agencies such as Young Enterprise personnel and modern dance teachers, to ensure that learning is relevant, interesting and exciting. The enthusiasm generated spills over into all aspects of school life and pupils show excitement and keenness in lessons and around school'.

The academy is oversubscribed with over 160 applications for 60 places for the Reception intake in September 2016.

Standards are significantly above National Standards at the end of the Foundation Stage, Key Stage 1 and when pupils leave us in Year 4.

These standards are continually assessed through a programme of lesson observations and work trawls and effective CPD opportunities that link to the School Development Plan.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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Some of the priorities achieved from last year's development plan were:

- Improve standards overall by increasing independence through revisiting learning drivers and behaviours
- Develop the use of the Nurture Room/nurture groups

During the year the academy has redecorated a number of areas within the school to maintain the outstanding facilities and secured a Condition Improvement Fund bid to build 4 new classrooms to house Year 5 and 6 from September 2017.

**Key Performance Indicators**

The following Key Financial Performance Indicators' were set at the start of the year:

	Target	Actual
Pupil to teacher ratio	1:30	1:30
Pupil attendance %	95%	96%

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the 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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2017, total expenditure of £1,613,828 was covered by recurrent grant funding from the DfE/ESFA, together with other incoming resources of £1,299,825. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £71,206.

At 31 August 2017 the net book value of fixed assets was £3,674,248 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 land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 March 2014 at £2,300,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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 policy of the Academy is to hold a reserve equal to a teacher's salary plus associated costs to the Academy, which is equivalent to approximately £50,000.

**Investment Policy**

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and School 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 96% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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



**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or 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 December 2017 and signed on the board's behalf by:





**Mr Rob Poyner  
Trustee**

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Astwood Bank First 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 Astwood Bank First 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 Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 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
Mr Anthony Keith Bolton	0	1
Mr Phil Dolby	1	3
Ms Alison Fiona Flower	3	3
Mr Neil James Grant	2	3
Ms Alison Mary Gregory	0	0
Mr Alistair Graeme Hayward-Wright	0	1
Ms Alison Margaret Horner	2	3
Mr Robert Lomas	1	1
Ms Dulci Marion Morris	3	3
Mr Rob Poyner	3	3
Mr Kevin David Sherrington-Lodge	3	3
Ms Michelle Stack	0	0
Mr Andrew Michael Whelan	1	1
Ms Deborah Ann Yarnold, Headteacher	3	3
Ms Yvonne Elizabeth Bruton	3	3
Ms Charlotte Louise Hall	2	3

There have not been any key changes in composition of the Board of Trustees. The Board has continued to support the Academy Trust and the senior leadership team throughout the period, including with staff recruitment and budget plans.

The Finance and Personnel committee is a sub committee of the main Board of Trustees. Its purpose is to ensure that the school operates within the Financial Regulations set out by the Education and Skills Funding Agency. It also encompasses the role of the audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Keith Anthony Bolton	0	0
Mr Phil Dolby	2	2
Mr Alistair Graeme Hayward-Wright	1	1
Mr Rob Poyner	2	2
Mr Kevin David Sherrington-Lodge	2	2
Ms Deborah Ann Yarnold	2	2

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust 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 Trust'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 Trust has delivered improved value for money during the year by:

- Senior leadership have covered for staff absence to minimise the absence budget and therefore minimised expenditure and resulting deficit, which aides the reserves position in light of expansion for Year 5 for 2017/2018.

**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 Trust 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 Astwood Bank First School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust 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 Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Academy Trust'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 Headteacher 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 Bishop Fleming LLP, the external auditors, to perform additional checks.

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

Testing of accounting systems

Testing of income and payroll

Testing of expenditure and fixed assets

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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On a termly basis, the external auditor's report to the Board of Trustees through the Finance and Personnel committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external auditor has delivered their schedule of work as planned, and there are no material control issues arising as a result of the external auditor's work.

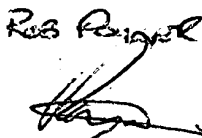
**REVIEW OF EFFECTIVENESS**

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

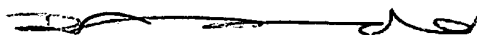
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 21 December 2017 and signed on their behalf, by:



**Mr Rob Poyner  
Trustee**



**Ms Deborah Ann Yarnold, Headteacher  
Accounting Officer**

**ASTWOOD BANK FIRST SCHOOL  
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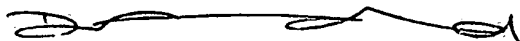
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Astwood Bank First School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Ms Deborah Ann Yarnold, Headteacher  
Accounting Officer**

  
ROB PAYNE

Date: 21 December 2017

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The Trustees (who act as governors of Astwood Bank First School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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:

*Rob Poyner*



**Mr Rob Poyner  
Trustee**

**Date: 21 December 2017**

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ASTWOOD BANK FIRST SCHOOL**

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**OPINION**

We have audited the financial statements of Astwood Bank First School (the 'Academy Trust') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS 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 Trust 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 Trust'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.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ASTWOOD BANK FIRST SCHOOL**

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 Trust 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.



**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
ASTWOOD BANK FIRST SCHOOL**

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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

*Bishop Fleming LLP*

David Butler FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT  
Date: *22 December 2017*

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ASTWOOD BANK FIRST SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Astwood Bank First School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Astwood Bank First School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Astwood Bank First 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 Astwood Bank First School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ASTWOOD BANK FIRST SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Astwood Bank First School's funding agreement with the Secretary of State for Education dated 19 December 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ASTWOOD  
BANK FIRST SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming LLP*

David Butler FCA DChA (Reporting Accountant)

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

Date: *22 December 2017*

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	15,706	13,225	55,061	83,992	1,122,067
Charitable activities	3	5,794	1,201,172	-	1,206,966	1,193,813
Other trading activities	4	8,713	-	-	8,713	10,969
Investments	5	154	-	-	154	270
<b>TOTAL INCOME</b>		<b>30,367</b>	<b>1,214,397</b>	<b>55,061</b>	<b>1,299,825</b>	<b>2,327,119</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		38,195	1,277,775	297,858	1,613,828	1,312,200
<b>TOTAL EXPENDITURE</b>	6	<b>38,195</b>	<b>1,277,775</b>	<b>297,858</b>	<b>1,613,828</b>	<b>1,312,200</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(7,828)	(63,378)	(242,797)	(314,003)	1,014,919
Actuarial gains/(losses) on defined benefit pension schemes	22	-	47,000	-	47,000	(162,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(7,828)</b>	<b>(16,378)</b>	<b>(242,797)</b>	<b>(267,003)</b>	<b>852,919</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		74,123	(469,622)	3,991,414	3,595,915	2,742,996
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>66,295</b>	<b>(486,000)</b>	<b>3,748,617</b>	<b>3,328,912</b>	<b>3,595,915</b>

The notes on pages 21 to 40 form part of these financial statements.

**ASTWOOD BANK FIRST SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 08637890**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		3,674,248		2,974,829
<b>CURRENT ASSETS</b>					
Debtors	14	122,457		793,237	
Cash at bank and in hand		129,769		420,701	
		<u>252,226</u>		<u>1,213,938</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	(111,562)		(100,852)	
<b>NET CURRENT ASSETS</b>			<u>140,664</u>		<u>1,113,086</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,814,912</u>		<u>4,087,915</u>
Defined benefit pension scheme liability	22		(486,000)		(492,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>3,328,912</u></u>		<u><u>3,595,915</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
General funds	17	-		22,378	
Restricted fixed asset fund	17	3,748,617		3,991,414	
Restricted income funds excluding pension liability		3,748,617		4,013,792	
Pension reserve		(486,000)		(492,000)	
Total restricted income funds			<u>3,262,617</u>		<u>3,521,792</u>
Unrestricted income funds	17		<u>66,295</u>		<u>74,123</u>
<b>TOTAL FUNDS</b>			<u><u>3,328,912</u></u>		<u><u>3,595,915</u></u>

The financial statements on pages 18 to 40 were approved by the Trustees, and authorised for issue, on 21 December 2017 and are signed on their behalf, by:

*Rob Poyner*



**Mr Rob Poyner**  
**Trustee**

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<b>651,140</b>	<b>(754,104)</b>
<b>Cash flows from investing activities:</b>			
Interest received		<b>154</b>	<b>270</b>
Purchase of tangible fixed assets		<b>(997,277)</b>	<b>(76,053)</b>
Capital grants from DfE/ESFA		<b>55,051</b>	<b>1,090,330</b>
<b>Net cash (used in)/provided by investing activities</b>		<b>(942,072)</b>	<b>1,014,547</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(290,932)</b>	<b>260,443</b>
Cash and cash equivalents brought forward		<b>420,701</b>	<b>160,258</b>
<b>Cash and cash equivalents carried forward</b>	20	<b>129,769</b>	<b>420,701</b>

The notes on pages 21 to 40 form part of these financial statements.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Astwood Bank First 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 Trust 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

**1.3 FUND ACCOUNTING**

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

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

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

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

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods and services.

**1.5 EXPENDITURE**

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

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

All expenditure is inclusive of irrecoverable VAT.



**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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 incorporating income and expenditure account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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:

Longterm leasehold property	-	50 and 125 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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

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

**1.7 OPERATING LEASES**

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

**1.8 TAXATION**

The Academy Trust 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 Trust 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.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES (continued)**

**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 Trust 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 Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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.

**1.13 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 22, 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.

**ASTWOOD BANK FIRST SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 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 Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

**ASTWOOD BANK FIRST SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	15,706	13,225	-	28,931	31,737
Capital Grants	-	-	55,061	55,061	1,090,330
	<u>15,706</u>	<u>13,225</u>	<u>55,061</u>	<u>83,992</u>	<u>1,122,067</u>
<i>Total 2016</i>	<u>9,359</u>	<u>22,378</u>	<u>1,090,330</u>	<u>1,122,067</u>	

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	1,065,818	1,065,818	1,049,220
Other DfE/ESFA grants	-	125,546	125,546	122,195
	<u>-</u>	<u>1,191,364</u>	<u>1,191,364</u>	<u>1,171,415</u>
<b>Other Government grants</b>				
High Needs	-	6,808	6,808	8,463
	<u>-</u>	<u>6,808</u>	<u>6,808</u>	<u>8,463</u>
<b>Other funding</b>				
Income for hosting trainee teachers	-	-	-	200
Sales to students	392	-	392	13
Other	5,402	3,000	8,402	13,722
	<u>5,794</u>	<u>3,000</u>	<u>8,794</u>	<u>13,935</u>
	<u>5,794</u>	<u>1,201,172</u>	<u>1,206,966</u>	<u>1,193,813</u>
<i>Total 2016</i>	<u>13,935</u>	<u>1,179,878</u>	<u>1,193,813</u>	

**ASTWOOD BANK FIRST SCHOOL**  
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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	8,713	-	8,713	10,799
Fees received	-	-	-	170
	<u>8,713</u>	<u>-</u>	<u>8,713</u>	<u>10,969</u>
<i>Total 2016</i>	<u>10,969</u>	<u>-</u>	<u>10,969</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	154	-	154	270
	<u>154</u>	<u>-</u>	<u>154</u>	<u>270</u>
<i>Total 2016</i>	<u>270</u>	<u>-</u>	<u>270</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	891,360	68,743	86,321	1,046,424	1,009,867
Support costs	151,407	94,760	321,237	567,404	302,333
	<u>1,042,767</u>	<u>163,503</u>	<u>407,558</u>	<u>1,613,828</u>	<u>1,312,200</u>
<i>Total 2016</i>	<u>983,998</u>	<u>136,658</u>	<u>191,544</u>	<u>1,312,200</u>	

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**7. DIRECT COSTS**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Pension finance costs	8,300	7,800
Educational supplies	37,203	31,814
Staff Development	6,720	4,431
Other Costs	12,595	10,258
Supply teachers	6,944	7,800
Insurance	9,979	10,887
Educational Trips	16,243	25,232
Wages and salaries	694,127	690,713
National insurance	54,358	48,879
Pension cost	135,931	115,498
Depreciation	64,024	56,555
	<b>1,046,424</b>	<b>1,009,867</b>
<i>Total 2016</i>	<i>1,009,867</i>	

**8. SUPPORT COSTS**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Pension finance costs	2,700	5,200
Charitable donations	1,322	-
Recruitment and Support	-	712
Maintenance of premises and equipment	38,035	36,250
Cleaning	10,986	7,651
Rent and rates	4,927	5,422
Energy costs	17,409	11,950
Insurance	11,800	10,784
Security and transport	-	433
Catering	65,721	69,239
Technology costs	6,892	2,819
Office overheads	11,181	13,189
Legal and professional	-	97
Bank charges	221	94
Loss on disposal of fixed assets	227,448	-
Governance	10,969	11,744
Wages and salaries	121,427	103,446
National insurance	5,822	3,796
Pension cost	24,158	13,866
Depreciation	6,386	5,641
	<b>567,404</b>	<b>302,333</b>
<i>At 31 August 2016</i>	<i>302,333</i>	

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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the academy	70,410	62,196
Auditors' remuneration - audit	6,800	6,475
Auditors' remuneration - other services	3,790	3,415
Operating leases	10,516	17,050
	<u>10,516</u>	<u>17,050</u>

**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	815,554	794,159
Social security costs	60,180	52,675
Operating costs of defined benefit pension schemes	160,089	129,364
	<u>1,035,823</u>	<u>976,198</u>
Supply teacher costs	6,944	7,800
	<u>1,042,767</u>	<u>983,998</u>

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

	2017 No.	2016 No.
Management	5	5
Teachers	13	11
Support	37	37
	<u>55</u>	<u>53</u>

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The key management personnel of the academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £142,570 (2016: £130,741).

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**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, including pension contributions in the year was as follows; D Yarnold Remuneration £60,000 - £65,000 (2016: £60,000 - £65,000), Employer's Pension Contributions £10,000 - £15,000 (2016: £10,000 - £15,000); D Morris Remuneration £30,000 - £35,000 (2016: £50,000 - £55,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000); M Stack Remuneration £30,000 - £35,000 (2016: £30,000 - £35,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000); C Avery Remuneration £15,000 - £20,000 (2016: £15,000 - £20,000), Employer's Pension Contributions £0 - £5,000 (2016: £0 - £5,000).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £95 to 1 Trustees).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,654 (2016: £1,654).



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**FOR THE YEAR ENDED 31 AUGUST 2017**

**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2016	3,114,432	2,720	31,524	3,148,676
Additions	991,918	3,160	2,199	997,277
Disposals	(239,000)	-	-	(239,000)
At 31 August 2017	3,867,350	5,880	33,723	3,906,953
<b>DEPRECIATION</b>				
At 1 September 2016	153,174	1,224	19,449	173,847
Charge for the year	61,977	728	7,705	70,410
On disposals	(11,552)	-	-	(11,552)
At 31 August 2017	203,599	1,952	27,154	232,705
<b>NET BOOK VALUE</b>				
At 31 August 2017	3,663,751	3,928	6,569	3,674,248
At 31 August 2016	2,961,258	1,496	12,075	2,974,829

Included in Long-term leasehold property is an amount for £1,145,184 which relates to assets under construction which was completed in the year. This new building was available for use in February 2017, and depreciation has been charged from this date.

**14. DEBTORS**

	2017 £	2016 £
Prepayments and accrued income	68,178	768,063
VAT recoverable	54,279	25,174
	<u>122,457</u>	<u>793,237</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	3,809	19,226
Other taxation and social security	32,262	29,942
Accruals and deferred income	75,491	51,684
	<u>111,562</u>	<u>100,852</u>

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

	2017 £	2016 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	45,121	43,974
Resources deferred during the year	51,888	45,121
Amounts released from previous years	(45,121)	(43,974)
	<u>51,888</u>	<u>45,121</u>
Deferred income at 31 August 2017	<u>51,888</u>	<u>45,121</u>

At the balance sheet date the Academy was holding funds received in advance for the provision of free school meals in the 2017/18 academic year.

**16. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	192,138	445,875
Financial assets measured at amortised cost	58,917	768,063
	<u>251,055</u>	<u>1,213,938</u>
Financial liabilities measured at fair value through income and expenditure	79,300	70,910
	<u>79,300</u>	<u>70,910</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank, prepayments and VAT recoverable.

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

Financial liabilities measured at fair value through income and expenditure comprise trade creditors, accruals and deferred income.

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**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	64,764	14,661	(36,873)	-	42,552
Donations	9,359	15,706	(1,322)	-	23,743
	<u>74,123</u>	<u>30,367</u>	<u>(38,195)</u>	<u>-</u>	<u>66,295</u>
<b>RESTRICTED FUNDS</b>					
General Annual Grant (GAG)	22,378	1,065,818	(1,088,196)	-	-
Higher needs funding	-	6,808	(6,808)	-	-
Pupil Premium (PP)	-	36,442	(36,442)	-	-
Universal Infant Free School Meals (UIFSM)	-	76,694	(76,694)	-	-
Educational Trips	-	13,225	(13,225)	-	-
Other Government Grants	-	12,410	(12,410)	-	-
Staff Insurance Income	-	3,000	(3,000)	-	-
Pension reserve	(492,000)	-	(41,000)	47,000	(486,000)
	<u>(469,622)</u>	<u>1,214,397</u>	<u>(1,277,775)</u>	<u>47,000</u>	<u>(486,000)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Capital Grants	1,094,730	55,061	(19,311)	-	1,130,480
Fixed assets transferred on conversion	2,885,303	-	(278,346)	-	2,606,957
Devolved Formula Capital	11,381	-	(201)	-	11,180
	<u>3,991,414</u>	<u>55,061</u>	<u>(297,858)</u>	<u>-</u>	<u>3,748,617</u>
Total restricted funds	<u>3,521,792</u>	<u>1,269,458</u>	<u>(1,575,633)</u>	<u>47,000</u>	<u>3,262,617</u>
Total of funds	<u>3,595,915</u>	<u>1,299,825</u>	<u>(1,613,828)</u>	<u>47,000</u>	<u>3,328,912</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	70,610	34,533	(28,524)	(2,496)	74,123
	<u>70,610</u>	<u>34,533</u>	<u>(28,524)</u>	<u>(2,496)</u>	<u>74,123</u>

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

**RESTRICTED FUNDS**

General Annual Grant (GAG)	22,106	1,049,815	(1,049,185)	(358)	22,378
Higher needs funding	-	8,463	(8,463)	-	-
Pupil Premium	-	35,561	(35,561)	-	-
Universal Infant Free School Meals (UIFSM)	-	86,039	(86,039)	-	-
Educational Trips	-	22,378	(25,232)	2,854	-
Pension reserve	(313,000)	-	(17,000)	(162,000)	(492,000)
	<u>(290,894)</u>	<u>1,202,256</u>	<u>(1,221,480)</u>	<u>(159,504)</u>	<u>(469,622)</u>

**RESTRICTED FIXED ASSET FUNDS**

Capital Grants	4,400	1,090,330	-	-	1,094,730
Fixed assets transferred on conversion	2,947,499	-	(62,196)	-	2,885,303
Devolved Formula Capital	11,381	-	-	-	11,381
	<u>2,963,280</u>	<u>1,090,330</u>	<u>(62,196)</u>	<u>-</u>	<u>3,991,414</u>
Total restricted funds	<u>2,672,386</u>	<u>2,292,586</u>	<u>(1,283,676)</u>	<u>(159,504)</u>	<u>3,521,792</u>
Total of funds	<u>2,742,996</u>	<u>2,327,119</u>	<u>(1,312,200)</u>	<u>(162,000)</u>	<u>3,595,915</u>

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

Donations - Income which has been donated in order to fund specific educational activities.

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Higher Needs funding - restricted grants relating to funding provided by Worcestershire County Council for the School to provide additional support to pupils with high needs.

Pupil Premium - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Universal Infant Free School Meals - represents income for the provision of free school meals to pupils.

Educational Trips - Income received from parents to contribute towards educational trips provided by the academy.

Other Government Grants - income which has been received for specific purposes from the ESFA.

Staff Insurance income - income received from insurance to cover costs involved in staff absences.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension scheme

Capital Grants - These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion.

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

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,674,248	3,674,248
Current assets	66,295	111,562	74,369	252,226
Creditors due within one year	-	(111,562)	-	(111,562)
Pension scheme liability	-	(486,000)	-	(486,000)
	<u>66,295</u>	<u>(486,000)</u>	<u>3,748,617</u>	<u>3,328,912</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset fund 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,974,829	2,974,829
Current assets	174,975	22,378	1,016,585	1,213,938
Creditors due within one year	(100,852)	-	-	(100,852)
Pension scheme liability	-	(492,000)	-	(492,000)
	<u>74,123</u>	<u>(469,622)</u>	<u>3,991,414</u>	<u>3,595,915</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(314,003)	1,014,919
<b>Adjustment for:</b>		
Depreciation charges	70,410	62,196
Interest received	(154)	(270)
Loss on the sale of fixed assets	227,448	-
Decrease/(increase) in debtors	670,780	(771,086)
Increase in creditors	10,710	13,467
Capital grants from DfE and other capital income	(55,051)	(1,090,330)
Defined benefit pension scheme cost less contributions payable	30,000	4,000
Defined benefit pension scheme finance cost	11,000	13,000
<b>Net cash provided by/(used in) operating activities</b>	<b>651,140</b>	<b>(754,104)</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash at bank and in hand	129,769	420,701
	<b>129,769</b>	<b>420,701</b>

**21. CAPITAL COMMITMENTS**

At 31 August 2017 the Academy Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	968,887

**22. PENSION COMMITMENTS**

The Academy Trust'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 Worcestershire County Council. Both are Multi-employer defined benefit pension schemes.

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

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**22. PENSION COMMITMENTS (continued)**

automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £84,918 (2016: £82,300).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £54,000 (2016: £54,000), of which employer's contributions totalled £41,000 (2016: £43,000) and employees' contributions totalled £13,000 (2016: £11,000). The agreed contribution rates for future years are 12.5% for employers and from 5.5% for employees.

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

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**22. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	22.6	23.5
Females	25.6	25.9
Retiring in 20 years		
Males	24.8	25.8
Females	27.9	28.2

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	282,000	138,000
Property	12,000	8,000
Cash and other liquid assets	4,000	4,000
Other	12,000	6,000
Other Bonds	17,000	11,000
Total market value of assets	<u>327,000</u>	<u>167,000</u>

The actual return on scheme assets was £31,000 (2016: £23,000).

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

	2017 £	2016 £
Current service cost	(84,000)	(47,000)
Interest income	3,000	4,000
Interest cost	(14,000)	(17,000)
Total	<u>(95,000)</u>	<u>(60,000)</u>



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**22. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	659,000	403,000
Current service cost	84,000	47,000
Interest cost	14,000	17,000
Employee contributions	13,000	11,000
Actuarial losses	43,000	181,000
	<u>813,000</u>	<u>659,000</u>
Closing defined benefit obligation	<u>813,000</u>	<u>659,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	167,000	90,000
Interest income	4,000	5,000
Actuarial losses	90,000	19,000
Employer contributions	54,000	43,000
Employee contributions	13,000	11,000
Admin Expense	(1,000)	(1,000)
	<u>327,000</u>	<u>167,000</u>
Closing fair value of scheme assets	<u>327,000</u>	<u>167,000</u>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	6,533	6,533
Between 1 and 5 years	3,983	10,517
	<u>10,516</u>	<u>17,050</u>
Total	<u>10,516</u>	<u>17,050</u>

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**24. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

Owing to the nature of the Academy's operation and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

**25. 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.

**26. GENERAL INFORMATION**

Astwood Bank First School (formerly Astwood Bank First School) is a company limited by guarantee, incorporated in England and Wales. The registered office is Church Road, Astwood Bank, Redditch, Worcestershire, B96 6EH.