

REGISTERED COMPANY NUMBER: 08920008 (England and Wales)

**Report of the Governors and
Financial Statements For The Year Ended 31st August 2016
for
GIFFARDS PRIMARY SCHOOL**



Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
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GIFFARDS PRIMARY SCHOOL

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GIFFARDS PRIMARY SCHOOL

Reference and Administrative Details For The Year Ended 31st August 2016

MEMBERS	J F L Taylor (appointed 3/12/2015) D M Stubbings M Bentley
GOVERNORS	M Bentley (Chair of Governors) J Cecil S J Crouchman (resigned 19/3/2016) N L Haslam (Headteacher) K L Lester V C Partridge (resigned 19/4/2016) S G Rhodes (resigned 14/3/2016) S L Sanders D M Stubbings J F L Taylor T L Willats A C Woodbury J Vickers (appointed 19/3/2016) J C Oliver (appointed 27/1/2016)
SENIOR MANAGEMENT TEAM	V Teager S Bryant N James N L Haslam S Feather
REGISTERED OFFICE	Queen Elizabeth Drive Corringham Stanford-Le-Hope SS17 7TG
REGISTERED COMPANY NUMBER	08920008 (England and Wales)
AUDITORS	Wilkins Kennedy LLP Statutory Auditor Chartered Accountants 1-5 Nelson Street Southend on Sea Essex SS1 1EG
BANKERS	Lloyds TSB Bank Plc 1 Legg Street Chelmsford Essex CM1 1JS

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

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

The Trust operates an academy for pupils aged 4 to 11 servicing a catchment area in Corringham. It has a pupil capacity of 420 although had a roll of 436 in the school census in May 2016.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Academy is a two form entry primary. We have two classes in all year groups apart from in Foundation Stage, where there are three classes.

The principal object of the Academy is specifically restricted to the following, to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

We aim to foster a life-long love of learning, through adopting a highly practical and cross-curricular approach to learning.

Our shared vision is Valuing Everyone as Learners.

Our main curriculum aims are;

- o To ensure that high quality teaching and learning is delivered consistently across the whole school
- o To raise standards by ensuring that each pupil has appropriate academic challenge and support, continuity and progression
- o To ensure that each and every learner is given the maximum opportunity to develop to their full potential regardless of gender, ethnicity or social group
- o To facilitate learners acquisition of knowledge, skills and qualities which will help them to develop intellectually, emotionally, socially, physically and morally
- o To enable all learners to become independent, responsible, confident and considerate members of their community and society in general
- o To create and maintain an exciting and stimulating learning environment in classrooms and around school

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. They have complied with their duty to have due regard to the guidance in exercising their power of duties.

In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy usually admits sixty pupils into two Reception classes, apart from September 2015 when the authority requested we admit up to 90 pupils in three reception classes, on the basis of the following criteria in priority order:

1. Looked After Children and previously looked after children
2. Special reasons
3. Catchment area siblings
4. Catchment area children
5. Non-catchment area siblings
6. Non-catchment area children

The school is popular locally and in 2015 100 parents applied for places. Due to an increase in local demand for school places in September 2015 the Academy agreed to admit up to ninety pupils in three Reception classes. This expansion of the school ensured local needs were met.

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

OBJECTIVES AND ACTIVITIES

Disabled persons

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability. Reasonable adjustments will be made to ensure access for pupils, staff and visitors (including parents, carers) with disabilities (this not only includes physical access, but takes account wider access to school information and activities).

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Foundation Stage attainment: We are above national for a Good level of development which is 69.2% (school is 74.7). The average score nationally for all areas of learning is 34.4 - we are broadly in line at 34.3. From low on entry scores, pupils make rapid progress and attain in line with or above national. Monitoring and external moderation agree with teacher judgements.

Phonics

Phonics - Year 1	2013	2014	2015	2016
School	44 chn = 75%	87%	44chn = 73%	49 chn = 83%
National	69%	74%	77%	80.7% (provisional)

Children make good progress. School achieved above national outcomes for Yr 1 and Yr 2 re-takes.

KS1 results

KS1 SATs and Teacher Assessment 2016	National % achieving expected standard and above(provisional)	National % achieving greater depth (provisional)	School % achieving expected standard and above	School % achieving greater depth
Reading	74.1%	23.6%	78.3%	16.7%
Writing	65.5%	13.3%	73.3%	6.7%
Maths	72.6%	17.8%	80%	8.3%
Combined	60.3%	8.9%	65%	3.3%

Year 2 pupils attained above the national % for meeting age related expectations within new curriculum in all areas. We were below for % achieving greater depth. Monitoring shows that good + progress has been made and children were given challenging work. From their starting points, these achievements show good+ progress and attainment.

KS2 Results

KS2 SATs and Teacher Assessment

2016	National % (provisional)	School	Teacher Assessment	National average scaled score	School average scaled score
Reading	66%	68%	80%	103	100.8
Writing (TA only)	74%		73%	104	102.9
SPAG - Spelling, punctuation and grammar.	72%	73%			
Maths	70%	68%	80%	103	101.8
Combined	53%	53%			

KS2 SATs results show attainment was broadly in line with national. We are below for average scaled scores, which would indicate fewer pupils achieved the highest points, however this year group has an above average % of SEN at 27.1% and 44.1% PPM

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 Statement of Accounting Policies.

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

ACHIEVEMENT AND PERFORMANCE

Key financial performance indicators

The main KPI is the Ofsted Framework for Inspection and the school evaluates each area on a regular basis. Inspectors use four key judgements. These are:

- the achievement of pupils at the school the quality of teaching in the school
- the behaviour and safety of pupils at the school.
- the quality of leadership in and management of the school In addition, inspectors must also consider:
- the spiritual, moral, social and cultural development of pupils at the school
- the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
- pupils who have a disability for the purposes of the Equality Act 2010 pupils who have special educational needs.

FINANCIAL REVIEW

Investment policy and objectives

Under the Memorandum and Articles of Association, the Academy has the power to invest in the name of the Academy Trust such part of the funds as they may see fit. The Academy aims to have a positive cash balance to cover eventualities and unforeseen expenses not budgeted for and hence not included in the cash flow. It is the responsibility of the School Management to generate as much bank interest as possible from any cash balances that the school may have. Investments though must guarantee complete integrity of funds and be consistent with the ethos, aims and objectives of the school.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should whenever possible be equivalent to four weeks' expenditure, approximately £177k.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £255k (total funds excluding fixed assets funds and pension fund deficit). The Academy will review the reserves policy on an annual basis.

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

FUTURE PLANS

The Academy will continue striving to improve the levels of performance of its pupil at all levels and will continue its efforts to ensure its pupils are well prepared for secondary school when they leave.

The Academy has a very clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning combined with its last Ofsted inspection. The School Improvement plan (SIP) has identified areas for improvement and is based on evidence of regular analysis of data as well as pupil work and quality of teaching and learning. This is monitored closely by the Headteacher and the senior leaders. This is then scrutinised and challenged by the governors. The SIP is regularly monitored and updated annually with termly reports to the governors. It is underpinned by appropriate budget links.

The priorities for the 2016-2017 academic year are:

School Improvement Priorities 2016/17

	Ofsted area	School Priority
SIP area 1	Outcomes	Ensure a greater % of pupils are secure within ARE in all year groups - close the gap for underperforming groups. Ensure a greater % of pupils make at least expected progress from KS1 starting points
SIP area 2	2.0 Teaching, learning and assessment	Ensure there is appropriate challenge for all pupils in all lessons. Ensure teaching meets needs of all abilities and provides more challenge in all subjects so each child's needs are met and they are able to make at least expected progress from previous starting point. To do this we will. Improve teaching approach of maths by using a CPA approach, to ensure pupils develop a deep understanding of mathematical concepts and can use and apply their knowledge to problem solving situations
	2.1	Improve teaching of reading by changing guided reading approach so pupils make greater progress and achieve at least in line with national by end of KS2
	2.2	Improve the teaching of foundation subjects by ensuring greater challenge and skill development.
	2.3	Develop and embed writing across whole school to ensure a greater % pupils are achieving at least national expectations
	2.4	Ensure a consistent, whole school approach to teaching and learning and behaviour management so children's individual needs are met in class/around school and children have pride in achievement and commitment to learning, supported by a positive culture across the whole provider
SIP area 3	Personal development, behaviour and welfare	Extend leadership capacity and impact to build sustainability within the school. Develop a culture of high expectations amongst all staff to improve attainment and progress
SIP area 4	Leadership and management	To develop a new PSHE SOW that covers a range of topics to ensure a comprehensive coverage of PSHE education and citizenship issues
SIP area 5 SMSC/British Values	SMSC	

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08920008) and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Giffards Primary Academy and are also Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Giffards Primary Academy. Details of the Governors who served throughout the year, 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 he/she ceases to be a member.

Governors' Indemnities

None

Principal activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The members of the Academy Trust shall comprise the signatories to the Memorandum, one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

Arrangements for setting pay and remuneration of key management personnel

The number of Governors shall be not less than three, but shall not be subject to a maximum. The first Governors were those named in the initial Memorandum. The Academy Trust shall have the following Governors; up to seven other Governors; two Staff Governors, two parent Governors; the Headteacher and up to two Umbrella Trust governors if appointed under Article 50B. The Academy may also have Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Head Teacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

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

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Structure consists of different levels: the Governors, the Senior Leadership Team, the Phase Leaders and subject leaders with TLRs. The aim of the management structure is to devolve leadership capacity, ensure accountability and responsibility and involvement in decision making at all levels as well as building capacity and succession planning.

The arrangements for setting the pay of key senior leaders within the school are agreed in accordance with the set pay ranges for a Group 3 school and agreed by governors. Any benchmarks, parameters or criteria used in setting their pay to be mentioned. The Governors are responsible for setting general policy, contributing to and agreeing the School Improvement Plan, monitoring the school's financial performance and the impact of the budget allocation. This includes making major decisions regarding the strategic direction of the academy, capital expenditure and senior staff appointments. During the year under review the Governors held 11 meetings in total including sub-committee meetings. The Governing Body appointed three standing sub-committees; the Curriculum and Pupil Matters Committee, the Finance, Audit and Premises Committee and the Chairs & Personnel Committee (the functions of which are referred to in the Governance Statement on page 11). The Governing Body also appoints other sub-committees as required.

The Governing Body has also appointed a Clerk who attends at Governing Body meetings and who assists and advises Governors as appropriate, the Senior Leadership Team comprises the Headteacher, the Deputy Headteacher, the Assistant Headteacher and the Inclusion Manager who is also an Assistant Headteacher. These leaders manage the Academy at an executive level implementing the policies agreed by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for senior leader posts will contain at least one Governor. Some spending control is devolved to Curriculum Subject Leaders, with limits above which a Senior Leader must countersign.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors depends on their existing experience. All new Governors have an initial meeting with the Chair of Governors and, where possible, one other governor. They are given a tour of the School and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

Induction tends to be carried out informally and is tailored specifically to the individual.

During their terms of office all Governors receive additional training, including from external training providers. Governors also undertake Governor visits to the School and meet with staff on a regular basis to keep themselves informed and updated.

Connected Organisations including Related Party Relationships

Giffards Primary Academy is part of an umbrella trust with Abbots Hall Primary, Graham James Primary & Hassenbrook Academies. We work together towards mutual support and improved learning outcomes for all the children.

INCORPORATION

The charitable company was incorporated on 3rd March 2014.

FINANCIAL POSITION

The Academy held fund balances at 31st August 2016 of £2,300k (2015 :£2,685k) comprising £2,191k (2015: £2,609k) of restricted funds and £109k (2015: £76k) of unrestricted funds. Of the restricted funds, £3,233k (2015: £3,249k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £1,178k (2015: £728k) in deficit.

Financial report for the year

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016

FINANCIAL POSITION

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants 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 expected useful life of the assets concerned.

During the period ended 31st August 2016, total expenditure of £2,072k (2015: £2,935k) was met by recurrent grant funding from the EFA together with other incoming resources. The surplus of expenditure over income for the year (excluding restricted fixed asset funds, transfers to restricted fixed asset funds) was £85k (2015: £119k deficit).

At 31st August 2016 the net book value of fixed assets was £3,223k (2015: £3,249k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Essex Pension Fund, in which the Academy participates, The Academy's share of the fund's assets and liabilities shows a deficit of £1,178k (2015: £728k) at 31st August 2016. Of this sum, £587k was inherited by Giffards Primary Academy from Thurrock Council on 1st April 2014, the date the local authority's staff transferred to employment with the Academy. The Statement of Financial Activities includes the assets and liabilities from the predecessor school.

Principal risks and uncertainties

The principal risks and uncertainties that Giffards Primary Academy faces are mitigated by the risk management process that the Academy Trust has in place reviewing the school's risk register on a regular basis.

Financial and risk management objectives and policies

The financial risks to which Giffards Primary Academy is exposed to relate primarily to a shortfall in pupil numbers, cash flow, government funding changes and policy.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,178k.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. By creating and maintaining a Risk Register that covers operations, governance, reputation, finance, IT and staffing risk, the Governors have introduced systems including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls.

PRINCIPAL RISKS AND UNCERTAINTIES

The governors have reviewed the Risk Register and have identified the principal risks and uncertainties as far as they are able, focusing on those that could seriously affect the performance, future prospects or reputation of the trust, including its viability. The main risks identified are:

- Recruitment and retention of good quality staff in the last year has been a challenge. We had a number of experienced staff leave mid-way through the year to follow other career paths. To recruit we had to offer both Teaching and Learning Responsibility (TLR) points and honour Upper Pay Scale (UPS) points where applicable. In the financial climate and with other local academies offering financial incentives we are mindful that this will be an on-going issue. To address this we not only have to ensure that the financial incentives are affordable but also that the school is an attractive place to work.
- Recruitment and retention of good quality governors. We are aware of the need to maintain an experienced and professional governing body and ensure we have succession planning in place. We have identified that we may have to recruit further afield to secure governors with the skill set needed by the school
- Maintaining effective collaboration with other schools. We are aware that the future constitution of the Inspirational Learning Trust could be subject to change.

GIFFARDS PRIMARY SCHOOL

Report of the Governors For The Year Ended 31st August 2016


PRINCIPAL RISKS AND UNCERTAINTIES

- Ensuring effective IT capacity within the school, both admin and educational, and that it maintained to the highest standard. At present we employ an on-site technician but are aware that if he secured a position elsewhere this could leave us vulnerable. To address this we still employ the services of an external company that we could increase if necessary as well as the business manager being aware and able to address many of the IT needs that arise. Both systems are maintained to the highest standard, with security at the highest level possible for both protecting and backing up of data as well as ensuring the safeguarding needs of all pupils and staff.
- Ensuring insurance cover is adequate - we review the insurance cover we have yearly. We use Essex Council's Organisational Risk Services to ensure we have the most comprehensive policy we can afford. This includes not only building and contents cover but employers and public liability as well as motor and school journey.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of governors on 7/12/2016 and signed on its behalf by:


M Bentley - Chair of Governors

GIFFARDS PRIMARY SCHOOL
Governance Statement
For The Year Ended 31st August 2016

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The full governing body has formally met four times during the year. Attendance during the year at meetings of the full governing body was as follows:

Governor	Meetings attended	Out of a possible
M Bentley (Chair)	4	4
D Stubbings (Vice Chair)	4	4
J Taylor	4	4
J Cecil	4	4
T Willats	4	4
K Lester	4	4
J Vickers (appointed 19.03.16)	2	2
N Haslam (Headteacher)	4	4
A Woodbury	2	4
S Sanders	2	4
J Oliver (appointed 27.01.16)	2	2
S Crouchman (resigned 19.03.16)	0	0
V Partridge (resigned 19.04.16)	2	3
S Rhodes (resigned 14.03.16)	0	2

Key changes to the composition of the governing body during the year are as below:

- J Oliver was appointed as governor in January 2016, a welcome addition to our committed team.
- S Crouchman was on maternity leave and, in her absence, it had been agreed that J Vickers became her replacement. This was made permanent on Miss Crouchman's resignation from the Governing Body on her return from maternity leave.

V Partridge and S Rhodes resigned as governors during the Spring term 2016, both experienced and professional governors of whom we were sad to lose but appreciated that they could no longer commit the time needed to fulfil their roles. The main challenges for the governors this year were:

- Recruitment of good quality staff and governors
- Tracking and understanding a new assessment system and ensuring that data was produced in a way that progress and attainment could be understood.

Actions taken to address these challenges were:

- Active recruiting including advertising to parents and registering with 'Inspiring the Future' increased the range of people that we reached. This resulted in one governor being recruited with another in the process of, both professionals with skill sets that will help future proof the governing body.
- Governor training, both in-house and externally, was undertaken. This allowed a full understanding around progress and attainment. Reporting methods were adjusted to make the reports more easily understood.

GIFFARDS PRIMARY SCHOOL
Governance Statement
For The Year Ended 31st August 2016

There were no requests for an external review during the year. A Self Evaluation that included a skills audit was undertaken. This identified gaps in governor experience and led to the active recruitment drive that was carried out. This resulted in J Oliver being actively recruited. To assist with recruitment parents of children due to start in September 2016 were also given details of expectations of the governing body to see if there was anyone suitable who was interested in joining the governing body.

Following the resignation of S Rhodes J Taylor assumed the role of governor with responsibility for Health & Safety in the school.

As a conscientious governing body we appreciate the need to build up succession planning and ensure maximum impact. The Chair of Governors completed both the Chair of Governors Leadership Development Programme as well as her training to become a National Leader of Governance during the year. Consequently she is assisting/advising other schools when able, thereby increasing both the experience and knowledge she can bring to our Governing Body.

It was agreed that from September 2016 there would no longer be committees, rather two Full Governing Body meetings per term one with a curriculum based focus and one with finance, audit and premises based focus. It was felt that this would make the best use of governors' time due to work commitments and will ensure that all governors are invited to attend every meeting and therefore will be aware in more detail of the strategic actions needed.

A formal review of the governance at Giffards is intended to be carried out during the Autumn term of 2016.

The Finance, Audit & Premises Committee is a sub-committee of the main Governing Body. Its purposes include:

- o to present to the governing body for approval an annual budget
- o to ensure budget monitoring; to make appropriate recommendations to the governing body as to the appointment or removal of the external auditors
- o to consider the engagement of the external auditors in respect of any non-audit services
- o to oversee the systems of internal control including measures for the safeguarding of assets, prevention of financial crime and consideration of the approval of the statement of internal control.

During the year the Finance, Audit & Premises Committee reviewed the reports produced by the Responsible Officer and will discuss any further issues raised by the annual audit. J Oliver joined the committee during the year too.

Attendance at meetings was as follows:

Governor	Meetings Attended	Out of a Possible
M Bentley (Chair)	4	4
D Stubbings (Vice Chair)	4	4
J Taylor	2	4
T Willats	4	4
K Lester	4	4
N Haslam (Headteacher)	4	4
A Woodbury	1	4
J Oliver (appointed 27.01.16)	2	2
S Rhodes (resigned 14.03.16)	0	2

The Curriculum and Pupil Matters Committee is a sub-committee of the main governing body. Its purposes include to:

- monitor and evaluate pupil progress and achievement, to review the curriculum and associated policies, including RE and to monitor teaching and learning in the school.
- monitoring of the school's engagement with parents, carers and the wider community, its compliance with the Single Equalities Act, the school's behaviour policy and its procedures for safeguarding pupils.

Review of Value for Money

Over the last financial period, Giffards Primary School has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils have continued to improve.

The academy has continued to focus on targeted improvement linked to the School Improvement Plan to ensure maximum impact on outcomes for pupils in these key areas. The new curriculum that has been introduced provides a relevant, exciting and aspirational curriculum that prepares children for life in modern Britain and extends and develops transferable skills.

GIFFARDS PRIMARY SCHOOL
Governance Statement
For The Year Ended 31st August 2016

Review of Value for Money

The academy has continued focusing on improving the quality of teaching across the academy by ensuring opportunities are cohesively planned and maximised across the curriculum with high standards and presentation expected in all lessons.

Teachers make sure there are no missed opportunities for consolidating and developing literacy, maths and science skills in every lesson and they set challenging targets for pupils.

Shared maths CPD and moderation with other schools within the Inspirational Learning Trust as well as collaborating over shared priorities has helped ensure Value for Money on a larger scale than would have been possible previously as well as cutting costs.

Admin hours and roles were reviewed and improved ICT analysis allowed admin hours to be cut. The number of support staff hours were cut by not replacing when staff left unless absolutely vital to the safety of the children. Both of these reductions had a positive financial impact on the budget.

Rigorous financial procedures and process in place ensure there is accountability and clarity of role. The academy has a Financial Handbook, which is regularly updated to ensure that it corresponds with EFA Handbooks and Guidance. The academy has produced a detailed financial analysis of how both the pupil premium and sports funding was spent and the impact of the funding for individual pupils.

The school adopts best practice around safeguarding and complies with the government guidance 'Keeping Children Safe in Education'. The school is mindful of the importance of safeguarding at all times, including when making a purchase, buying into a service or instructing a contractor to carry out agreed works.

Regular maintenance and refurbishment to the fabric of the buildings ensures that we provide an attractive and stimulating environment for all.

Governor's review and challenge purchases as necessary, and all contracts and services for the academy are appraised and approved to ensure value for money. In some instances, the academy has chosen options which were not necessarily the cheapest in pure monetary terms but were deemed to be the most cost effective over time. Projects are assessed not just on the cost but the benefit they will bring to the students' education.

The academy takes its responsibility for the health and safety of its staff, pupils and visitors very seriously and to this end has continued to engage with an outside company around a comprehensive H&S package which includes Competent Person Support.

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 in order 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 on-going 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 Giffards Primary School for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process will be 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

GIFFARDS PRIMARY SCHOOL

Governance Statement For The Year Ended 31st August 2016

The Risk and Control Framework

- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

Bank balances are carefully monitored, reconciled weekly. The Chair of the Finance, Audit and Premises committee receives monthly reports which are analysed to identify areas of overspend and underspend and he carries out monitoring on these reports, questioning and challenging where necessary. At every Finance, Audit and Premises committee meeting the latest set of reports are presented to the committee and any questions they may have over these reports or any of the Chair's reports are answered at that meeting. Regular monitoring ensures the best use of resources and prevents waste.

The statutory accounts of the academy are subject to external audit.

The academy purchases a commercial combined insurance package and also a staff absence insurance covering all teaching staff, the caretaker and business manager to ensure it has adequate cover to manage risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- The trustees have appointed Wilkins Kennedy, the external Responsible Officer/auditor, to perform additional checks
- The auditor's role includes:

1. 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:

2. testing of payroll systems
3. testing of purchase systems
4. testing of control account/ bank reconciliations

- there has been no need to appoint an internal auditor. D Stubbings, a trustee, carries out a monthly programme of internal checks. The Headteacher also carries out monthly checks around pay and income. The schedule of work has been delivered as planned, no material control issues were identified as a result of the checks.

Review of Effectiveness

As Accounting Officer, Nicky Haslam 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;

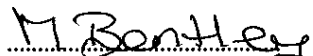
Review of Effectiveness

- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

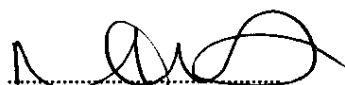
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit & Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

GIFFARDS PRIMARY SCHOOL
Governance Statement
For The Year Ended 31st August 2016

Approved by order of the members of the board of trustees on 7/12/2016 and signed on its behalf by:



M Bentley - Chair of Governors



N L Haslam - Headteacher

GIFFARDS PRIMARY SCHOOL

Statement on Regularity, Propriety and Compliance For The Year Ended 31st August 2016

As accounting officer of Giffards Primary School I have considered my responsibility to notify the charitable company board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the charitable company board of governors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2015.

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


N Haslam - Accounting Officer

Date: 12/12/16

GIFFARDS PRIMARY SCHOOL

Statement of Governors Responsibilities For The Year Ended 31st August 2016

The governors (who act as trustees of Giffards Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors 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.

Approved by order of the board of governors on 7/12/2016 and signed on it's behalf by:

M Bentley
M Bentley - Chair of Governors

Report of the Independent Auditors to the Members of Giffards Primary School

We have audited the financial statements of Giffards Primary School for the year ended 31st August 2016 on pages twenty two to forty four. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors Responsibilities set out on page seventeen, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
GIFFARDS PRIMARY SCHOOL**

Matters on which we are required to report by exception

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

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

Wilkins Kennedy LLP

Mandy Wilson (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

Date *20th December 2016*

Independent Reporting Accountant's Assurance Report on Regularity to Giffards Primary School and the Education Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Giffards Primary School during the period 1st September 2015 to 31st August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Giffards Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Giffards Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Giffards Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Giffards Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Giffards Primary School's funding agreement with the Secretary of State for Education dated 1st April 2014 and the Academies Financial Handbook, extant from 1st September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2015 to 31st August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

**Independent Reporting Accountant's Assurance Report on Regularity to
Giffards Primary School and the Education Funding Agency**

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 period 1st September 2015 to 31st August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy LLP

Reporting Accountant
Wilkins Kennedy LLP
1-5 Nelson Street
Southend on Sea
Essex
SS1 1EG

Date: *20th December 2016*

GIFFARDS PRIMARY SCHOOL

**Statement of Financial Activities
For The Year Ended 31st August 2016**

				Year Ended 31/8/16	Period 3/3/14 to 31/8/15
	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	3	18	22	-	40
Transfer from Local Authority on conversion		-	-	-	2,780
Charitable activities					
Funding for the academy's educational operations	4	-	2,087	-	2,087
Other trading activities	5	30	-	-	42
Total		48	2,109	-	5,779
 EXPENDITURE ON					
Charitable activities					
Academy's educational operations		15	2,057	84	3,019
NET INCOME/(EXPENDITURE)		33	52	(84)	2,760
Transfers between funds	18	-	(58)	58	-
 Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	(386)	-	(75)
Net movement in funds		33	(392)	(26)	2,685
 RECONCILIATION OF FUNDS					
Total funds brought forward		76	(640)	3,249	-
 TOTAL FUNDS CARRIED FORWARD		109	(1,032)	3,223	2,685

The notes form part of these financial statements

GIFFARDS PRIMARY SCHOOL

Balance Sheet **At 31st August 2016**

		2016	2015
	Notes	£'000	£'000
FIXED ASSETS			
Tangible assets	12	3,223	3,249
CURRENT ASSETS			
Debtors	13	48	44
Cash at bank		382	247
		430	291
CREDITORS			
Amounts falling due within one year	14	(175)	(127)
NET CURRENT ASSETS		255	164
TOTAL ASSETS LESS CURRENT LIABILITIES		3,478	3,413
PENSION LIABILITY	19	(1,178)	(728)
NET ASSETS		2,300	2,685
FUNDS	18		
Unrestricted funds:			
General fund		109	76
Restricted funds:			
General Restricted Fund		146	88
Pension Fund		(1,178)	(728)
Fixed Asset Fund		3,223	3,249
		2,191	2,609
TOTAL FUNDS		2,300	2,685

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 7/12/2016 and were signed on its behalf by:

M Bentley
M Bentley -Chair of Governors

The notes form part of these financial statements

GIFFARDS PRIMARY SCHOOL

**Cash Flow Statement
For The Year Ended 31st August 2016**

		Year Ended	Period
		31/8/16	3/3/14
	Notes	£'000	to
			31/8/15
			£'000
Cash flows from operating activities:			
Cash generated from operations	1	<u>184</u>	<u>599</u>
Net cash provided by (used in) operating activities		<u>184</u>	<u>599</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(58)</u>	<u>(370)</u>
Capital grants from DfE/EFA		<u>9</u>	<u>18</u>
Net cash provided by (used in) investing activities		<u>(49)</u>	<u>(352)</u>
Change in cash and cash equivalents in the reporting period		<u>135</u>	<u>247</u>
Cash and cash equivalents at the beginning of the reporting period		<u>247</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>382</u></u>	<u><u>247</u></u>

The notes form part of these financial statements

GIFFARDS PRIMARY SCHOOL

**Notes to the Cash Flow Statement
For The Year Ended 31st August 2016**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year Ended	Period
	31/8/16	3/3/14
	£'000	to
		31/8/15
		£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1	2,760
Adjustments for:		
Depreciation	84	84
Capital grants from DfE/EFA	(9)	(18)
Transfer from Local Authority on conversion	-	(2,376)
LGPS cost excl employer's contributions	36	27
LGPS net finance cost	28	39
Increase in debtors	(4)	(44)
Increase in creditors	48	127
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	184	599
	<hr/>	<hr/>

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements For The Year Ended 31st August 2016

1. STATUTORY INFORMATION

Giffards Primary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Giffards Primary School meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, governors' meetings and reimbursed expenses.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £750 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2% straight line
Furniture and science equip.	20% straight line
ICT equipment	33% straight line

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

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.

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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government 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 17, 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 are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

2. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

LGPS

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

3. DONATIONS AND CAPITAL GRANTS

			Year Ended 31/8/16	Period 3/3/14 to 31/8/15
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Trip Income	14	-	14	45
Donations	-	-	-	16
Misc Income	4	22	26	29
	<u>18</u>	<u>22</u>	<u>40</u>	<u>90</u>

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

			Year Ended 31/8/16	Period 3/3/14 to 31/8/15
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,763	1,763	2,605
Other DfE/EFA Grants	-	59	59	38
	<u>-</u>	<u>1,822</u>	<u>1,822</u>	<u>2,643</u>
DfE/EFA capital grant				
Devolved Formula Capital Allocations	-	9	9	18
Other government grant				
Local Authority Grant	-	256	256	206
	<u>-</u>	<u>2,087</u>	<u>2,087</u>	<u>2,867</u>

5. OTHER TRADING ACTIVITIES

			Year Ended 31/8/16	Period 3/3/14 to 31/8/15
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Catering income	30	-	30	42
	<u>30</u>	<u>-</u>	<u>30</u>	<u>42</u>

6. EXPENDITURE

				Year Ended 31/8/16	Period 3/3/14 to 31/8/15
	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Total £'000	Total £'000
Charitable activities					
Academies educational operations					
Direct costs	1,438	84	138	1,660	2,237
Allocated support costs	248	75	173	496	782
	<u>1,686</u>	<u>159</u>	<u>311</u>	<u>2,156</u>	<u>3,019</u>

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

6. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	Year Ended	Period
	31/8/16	3/3/14
	to	31/8/15
	£'000	£'000
Auditors remuneration	5	4
Depreciation - owned assets	84	84
Auditors' remuneration: non audit	1	1
	<u> </u>	<u> </u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	Year Ended	Period
	funds	funds	31/8/16	3/3/14
	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000
Direct costs	13	1,647	1,660	2,237
Support costs	2	494	496	782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	15	2,141	2,156	3,019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Year Ended	Period
	31/8/16	3/3/14
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	248	315
Premises costs	75	126
Other support costs	167	336
Governance costs	6	5
	<u> </u>	<u> </u>
Total support costs	496	782
	<u> </u>	<u> </u>

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

8. GOVERNORS' REMUNERATION AND BENEFITS

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments. The Governors who received remuneration are:

N Haslam (Headteacher):

Remuneration £75k to £80k

(2015: Remuneration £100k to £105k for 17 months)

Employer's pension contributions £10k to £15k

(2015: Employer's pension contributions £10k to £15k for 17 months)

S Crouchman - went on maternity leave May 2015 - Feb 2016

Remuneration £25k to £30k

(2015: Remuneration £45k to £50k for 17 months)

Employer's pension contributions £0k to £5k

(2015: Employer's pension contributions £5k to £10k for 17 months)

J Vickers:

Remuneration £35k to £40k

(2015: Remuneration £5k to £10k for 17 months)

Employer's pension contributions £5k to £10k

(2015: Employer's pension contributions £0k to £5k for 17 months)

V Partridge:

Remuneration £5k to £10k

(2015: Remuneration £15k to £20k for 17 months)

Employer's pension contributions £0k to £5k

(2015: Employer's pension contributions £0k to £5k for 17 months)

T Willats:

Remuneration £10k to £15k

(2015: Remuneration £15k to £20k for 17 months)

Employer's pension contributions £0k to £5k

(2015: Employer's pension contributions £0k to £5k for 17 months)

K Lester:

Remuneration £5k to £10k

(2015: Remuneration £10k to £15k for 17 months)

Employer's pension contributions £0k to £5k

(2015: Employer's pension contributions £0k to £5k for 17 months)

Governors' expenses

There were no governors' expenses paid for the year ended 31st August 2016 nor for the period ended 31st August 2015.

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

9. STAFF COSTS

	Year Ended	Period
	31/8/16	3/3/14
	£'000	to
		31/8/15
		£'000
Wages and salaries	1,332	1,835
Social security costs	98	129
Other pension costs	235	258
	1,665	2,222
Supply teacher costs	21	26
	1,686	2,248

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	Year Ended	Period
	31/8/16	3/3/14
		to
		31/8/15
Teachers	20	19
Admin and Support	46	49
Management	4	4
	70	72

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

	Year Ended	Period
	31/8/16	3/3/14
		to
		31/8/15
£70,001 - £80,000	1	1

The employees above participated in the Teachers Pension Scheme. During the period to 31 August 2016, pension contributions for these members of staff amounted to £12,500.

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	2016	2015
Teachers	18	23
Admin & Support	29	25
Management	4	4
	51	52

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

9. STAFF COSTS

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £319,020 (2015: £392,897).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the period ended 31st August 2016 was £456 (2015: £268).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	64	26	-	90
Transfer from Local Authority on conversion	404	(587)	2,963	2,780
Charitable activities				
Funding for the academy's educational operations	-	2,867	-	2,867
Other trading activities	42	-	-	42
Total	510	2,306	2,963	5,779
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	64	2,871	84	3,019
NET INCOME/(EXPENDITURE)	446	(565)	2,879	2,760
Transfers between funds	(370)	-	370	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(75)	-	(75)
Net movement in funds	76	(640)	3,249	2,685

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
RECONCILIATION OF FUNDS				
Total funds brought forward	-	-	-	-
TOTAL FUNDS CARRIED FORWARD	<u>76</u>	<u>(640)</u>	<u>3,249</u>	<u>2,685</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1st September 2015	3,233	72	28	3,333
Additions	<u>51</u>	<u>1</u>	<u>6</u>	<u>58</u>
At 31st August 2016	<u>3,284</u>	<u>73</u>	<u>34</u>	<u>3,391</u>
DEPRECIATION				
At 1st September 2015	64	12	8	84
Charge for year	<u>64</u>	<u>6</u>	<u>14</u>	<u>84</u>
At 31st August 2016	<u>128</u>	<u>18</u>	<u>22</u>	<u>168</u>
NET BOOK VALUE				
At 31st August 2016	<u>3,156</u>	<u>55</u>	<u>12</u>	<u>3,223</u>
At 31st August 2015	<u>3,169</u>	<u>60</u>	<u>20</u>	<u>3,249</u>

Included in Land & Buildings at original cost/valuation are:

- Freehold Land £62k
- New playground, lighting and new server are included in additions totalling £58k

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade debtors	-	2
Other debtors	37	15
VAT	<u>11</u>	<u>27</u>
	<u>48</u>	<u>44</u>

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Trade creditors	(1)	-
Other creditors	176	127
	<u>175</u>	<u>127</u>

Deferred income

	2016	2015
	£'000	£'000
Deferred income as at 1st September 2015	31	-
Resources deferred in year	41	31
Amounts released from previous years	(31)	-
Deferred income as at 31st August 2016	<u>41</u>	<u>31</u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meal and parent contributions for trips.

15. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	2016	2015
	£'000	£'000
Expiring:		
Within one year	1	2
Between one and five years	-	1
	<u>1</u>	<u>3</u>

16. 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 period 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.

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	2016 Total funds £'000	2015 Total funds £'000
Fixed assets	-	-	3,223	3,223	3,249
Current assets	109	321	-	430	291
Current liabilities	-	(175)	-	(175)	(127)
Pension liability	-	(1,178)	-	(1,178)	(728)
	<u>109</u>	<u>(1,032)</u>	<u>3,223</u>	<u>2,300</u>	<u>2,685</u>

18. MOVEMENT IN FUNDS

	At 1/9/15 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31/8/16 £'000
Unrestricted funds				
General fund	76	33	-	109
Restricted funds				
General Restricted Fund	88	116	(58)	146
Pension Fund	(728)	(450)	-	(1,178)
Fixed Asset Fund	3,249	(84)	58	3,223
	<u>2,609</u>	<u>(418)</u>	<u>-</u>	<u>2,191</u>
TOTAL FUNDS	<u>2,685</u>	<u>(385)</u>	<u>-</u>	<u>2,300</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	48	(15)	-	33
Restricted funds				
General Restricted Fund	2,109	(1,993)	-	116
Pension Fund	-	(64)	(386)	(450)
Fixed Asset Fund	-	(84)	-	(84)
	<u>2,109</u>	<u>(2,141)</u>	<u>(386)</u>	<u>(418)</u>
TOTAL FUNDS	<u>2,157</u>	<u>(2,156)</u>	<u>(386)</u>	<u>(385)</u>

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

19. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are multi-employer defined benefit schemes

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

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

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £115,524 (2015: £141,301).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued **For The Year Ended 31st August 2016**

19. PENSION COMMITMENTS **- continued**

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £103k (2015: £134k), of which employer's contributions totalled £78k (2015: £102k) and employees' contributions totalled £25k (2015: £32k).

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

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment/inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.2%	4.0%
Inflation assumption (CPI)	2.3%	2.7%
Inflation assumption (RPI)	3.2%	3.6%

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£'000	£'000
Equities	172	81
Gilts	9	5
Other bonds	11	12
Property	28	14
Cash	8	3
Alternative assets	11	9
Other managed funds	12	-
Total market value of assets	251	124

GIFFARDS PRIMARY SCHOOL

**Notes to the Financial Statements - continued
For The Year Ended 31st August 2016**

19. PENSION COMMITMENTS
- continued

Local government pension scheme

Amount recognised in the statement of financial activities

	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	114	130
Net interest cost	-	-
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	114	130

Changes in the present value of defined benefit obligations were as follows:

	2016	2015
	£'000	£'000
At 1 September	852	587
Current service cost	114	130
Interest cost	35	43
Employee contributions	25	32
Actuarial (gain)/loss	405	77
Benefits paid	(2)	(17)
At 31 August	1,429	852

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

	2016	2015
	£'000	£'000
At 1 September	124	-
Interest income	7	4
Return on plan assets (excluding net interest on the net defined pension liability)	19	3
Actuarial gain/(loss)	-	-
Employer contributions	78	102
Employee contributions	25	32
Benefits paid	(2)	(17)
At 31 August	251	124

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

20. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

There are no related party transactions requiring disclosure within these accounts.

22. FIRST YEAR ADOPTION

This is the first year in respect of which the Academy has prepared its financial statements under FRS 102. The previous financial statements for the year ended 31 August 2016 were prepared under "old UK GAAP". The date of transition to FRS 102 is 1 September 2014.

GIFFARDS PRIMARY SCHOOL

Notes to the Financial Statements - continued For The Year Ended 31st August 2016

22. FIRST YEAR ADOPTION - continued

Transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill;
- not to apply the requirements of Section 26 Share-based Payment;
- to measure fair value at date of transition to FRS 102 and use as deemed cost on:
 - an item of property, plant and equipment;
 - an investment property;
 - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to use a previous GAAP revaluation as deemed cost on:
 - an item of property, plant and equipment;
 - an investment property;
 - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to measure investment in subsidiaries, associates and joint ventures at cost determined in accordance with Section 9 Consolidated and Separate Financial Statements, Section 14 Investments in Associates or Section 15 Investments in Joint Ventures;
- not to apply the requirement of paragraph 22.13 in respect of compound financial instruments;
- not to apply the requirement of paragraphs 34.12E to 34.16A in respect of service concession agreements;
- to take elections available for extractive activities;
- to measure decommissioning liabilities included in cost of property, plant and equipment at date of transition to FRS 102;
- to measure carrying amount of deferred development costs at date of transition to FRS 102 as deemed cost;
- to treat date of transition to FRS 102 as date on which capitalisation of borrowing costs commences.

LGPS - Interest on scheme assets

Under previous UK GAAP, the academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £39,000 and decrease the credit in other recognised gains and losses in the SoFA by an equivalent amount.