



**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**Members and Governors** Mrs Amy Lumley-Wood, Parent Governor & former Chair\* (resigned 31 August 2016)<sup>1</sup>  
Mrs Deborah Orr, Parent Governor and Vice Chair<sup>2</sup>  
**Governors** Mrs Gillian Peck, Headteacher<sup>1,2</sup>  
Mr Carl Du Plessis, Parent Governor & Chair\*<sup>1</sup>  
Mrs Elspeth Tierney, Staff Governor<sup>1</sup>  
Mrs Allison Llewellyn, Staff Governor<sup>1,2</sup>  
Mr Jatinder Garcha, Co-opted Governor (resigned 31 August 2016)<sup>1</sup>  
Rev Benjamin Lewis, Community Governor (appointed 1 September 2015)<sup>2</sup>  
Mrs Valerie Murray, Community Governor (appointed 1 September 2015)<sup>2</sup>

1 Management Committee

2 Standards Committee

\*Mrs Amy Lumley-Wood served as Chair of Governors until 31 August 2016, when she resigned. Mr Carl Du Plessis became the Chair of Governors from 1 September 2016.

**Company registered number**

08434113

**Company name**

Putnoe Primary School

**Principal and registered office**

Church Lane  
Bedford  
MK41 0DH

**Senior Management Team**

Gillian Peck, Headteacher and Accounting Officer  
Simon Petch, Deputy Headteacher  
Lorna Stanton, Assistant Headteacher  
Matthew Rogers, Senior Teacher  
Andrew Pope, Senior Teacher  
Pauline Gayle, Senior Teacher

**Independent auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditor  
Equipoise House  
Grove Place  
Bedford  
MK40 3LE

**Bankers**

National Westminster Bank Plc  
81 High Street  
Bedford  
MK40 1YN

**Solicitors**

Stone King Solicitors  
13 Queens Square  
Bath  
BA1 2HJ

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

The Academy Trust operates an Academy for pupils aged 4 to 11 years serving a catchment area in Bedford. It has a pupil capacity of 630 and had a roll of 595 in the school census on January 2016.

**Structure, governance and management**

**CONSTITUTION**

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The Academy is a single Academy Trust and these financial statements give the results of the Academy as a single entity. The Academy is incorporated in England & Wales.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Governors of Putnoe Primary School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Putnoe Primary School.

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

**GOVERNORS' INDEMNITY INSURANCE**

In accordance with normal practice the Academy has purchased insurance to protect the Governors and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £5 million and in the period under review no sums were paid out.

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

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**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The Governing Body comprises of a minimum of two parent Governors, up to seven community Governors, up to two staff Governors and the Headteacher. The parent Governors are elected by the parent body of the School. The staff Governors are elected by the School's staff. The community Governors are appointed by the Members of the Academy Trust. Community Governors may be re-appointed after the end of their term of office. Individuals may request to join the Governing Body and the Members of the Academy Trust may decide to invite one of these individuals to join should a vacancy arise.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

All Governors undertake training as appropriate to their work at the School. New Governors will be provided with an induction programme. A log is kept of all Governor training and reviewed on a regular basis at the full Governing Body meetings.

The Governors, who are also the charity Trustees, are responsible for the overall management and control of the School and meet at least three times a year. The work of reviewing and monitoring most policies is delegated to the members of the Committees as outlined below. They all work under the chairmanship of a Governor appointed at the first committee meeting in each academic year. Terms of reference of these committees are agreed annually at these meetings.

The Clerk to the Governing Body co-ordinates the work of the Governors and their committees, prepares agendas and papers and reviews matters arising. The Finance Manager prepares the accounts on behalf of the Governors. All Governors give their time to the role freely, no remuneration or expenses were paid in the year.

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

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**ORGANISATIONAL STRUCTURE**

The Governors determine the general policies of the School. The day to day running of the School is delegated to the Headteacher, supported by the Senior Management Team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Management Team. The day to day administration is undertaken within the policies and procedures approved by the Governors. Only significant expenditure decisions and major capital projects should be referred to the Governors for prior approval. The Headteacher is an ex-officio Governor and Accounting Officer and attends all Governing Body meetings. The School Finance Manager is invited to attend Management Committee meetings.

**Governors Committee Structure**

Each of the committees can make recommendations that must be endorsed by the full Governing Body. The Committees and the full Governing Body meet at least three times per year.

The Governing Body

- The Governing Body will take a strategic role, act as a critical friend to the School and be accountable for its decisions. It will set the vision and key goals and agree, monitor and review policies, targets and priorities.

There are two major committees, which are sub-committees of the Governing Body, and their respective aims are as follows:

Standards Committee

- To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy and Teaching and Learning Policy.
- To consider curricular issues which have implications for finance and personnel decisions and to make recommendations to the relevant committees or the Governing Body.
- To ensure that children's enjoyment of lessons is an integral part of all curriculum planning.
- To oversee the analysis annually of test data and pupil assessment and make recommendations to the Governing Body as appropriate.
- To ensure that all curricular improvements required by OfSTED are implemented.
- To review annually the School Prospectus.
- To make arrangements for the Governing Body to be represented at School Improvement discussions with the SIA and for reports to be received by the Governing Body.
- To oversee arrangements for individual Governors to take a leading role in specific areas of provision (e.g. SEN, Literacy, Numeracy and Curriculum Leadership Groups), to receive regular reports from them and advise the Governing Body.
- To oversee arrangements for educational visits, including the appointment of a named co-ordinator ("EVC").

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

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Management Committee

- To draft and review annually the staffing structure, in consultation with the Headteacher.
- To oversee the selection and appointment procedure for all staff.
- To oversee and review termly, the school's safeguarding procedures, including the implementation of the Child Protection and Safer Recruiting policies.
- To establish and review a Performance Management policy for all staff.
- To oversee the process leading to staff reductions.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.
- To make recommendations on personnel related expenditure.
- To ensure that DfE regulatory and guidance documents are implemented appropriately in the school, with specific reference to the role assigned to the Governing Body.
- To assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

In addition, the following other sub-committees are there to meet specific needs:

Staff Pay Committee

- To consider and decide upon all matters relating to staff pay as part of the annual review process in accordance with the whole school salary policy agreed by the Governing Body in respect of the following staff: school teachers; NJC Local Government Services Staff; and any other staff as determined by the Governing Body.

Hearings committee

- To make any determination to dismiss any member of staff.
- To make any decisions under the Governing Body's personnel procedures (e.g. disciplinary, grievance, capability where the Headteacher is the subject of the action).
- To make any determination or decision under the Governing Body's General Complaints Procedure for Parents and others.
- To make any determination or decision under the Governing Body's Curriculum Complaints Procedure, in respect of National Curriculum disapplications, and the operation of the Governing Body's charging policy.

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

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Appeals committee

- To consider any appeal against a decision to dismiss a member of staff made by the Hearings Committee.
- To consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures (e.g. disciplinary, grievance, capability).
- To consider any appeal against selection for redundancy.
- To consider any appeal against a pay decision.

Pupil Discipline Committee

- To consider representations from parents in the case of exclusions of five days or less (Committee may not re-instate).
- To consider representations from parents in the case of exclusions totalling more than five but not more than 15 school days in one term (meeting to be held between 6th and 15th school days after receiving notice of the exclusion).
- To consider the appropriateness of any permanent exclusion or any exclusion where one or more fixed period exclusions total more than 15 school days in one term or where a pupil is denied the chance to take a public examination (meeting to be held between 6th and 15th school days after receiving notice of the exclusion).

Headteacher's Performance Review Group:

- To arrange to meet with the External Adviser / School Improvement Partner to discuss the Headteacher's performance targets.
- To decide, with the support of the External Adviser / School Improvement Partner, whether the targets have been met and to set new targets annually.
- To monitor through the year the performance of the Headteacher against the targets.
- To make recommendations to the Management Committee in respect of awards for the successful meeting of targets set.

**PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

Key Management Personnel of the Academy comprise the Governors and Senior Management Team. The Governors are not remunerated in their role as Governors.

The Headteacher's remuneration is set by the Headteacher Performance Review Group following performance management review. The remuneration of all other staff are considered annually and at strategic times in the year by the Staff Pay Committee following appraisals and based on initial recommendations by the Headteacher.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

None to disclose.

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**PUTNOE PRIMARY SCHOOL**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Objectives and Activities**

**OBJECTS AND AIMS**

Putnoe Primary School's objects are specifically restricted to the following:

- 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.
- To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social welfare and with the object of improving the condition of life of the said inhabitants.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

1. To improve the achievement of all pupils and specifically to monitor the standards of reading. Instilling in all pupils a love of reading – OfSTED priority.
2. To monitor the Gender Gap in standards for all pupils within Reading Writing and Numeracy securing 4 points progress.
3. Reading for pleasure and introduction of materials aimed at engaging boys.
4. To procure suitable contractors to undertake the building of a new Year 6 block. Monitor the project's progress and financial implications.
5. To ensure that all pupils receive the appropriate support in order to reach their academic potential. In particular to continue to record and track pupil premium expenditure and the impact of this.

**PUBLIC BENEFIT**

In setting the Academy's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. The Academy Trust's object is specifically restricted to the following:

- 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, continuing, managing and developing a school offering a broad and balanced curriculum.
- To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social; welfare and with the object of improving the condition of life of the said inhabitants.

The Academy is a non-selective school serving Bedford. It is subject to the current statutory arrangements as laid down in the national Admissions Code.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### **REVIEW OF ACTIVITIES**

- Putnoe was identified as a centre of excellence for the Arts in 2013 and we have continued to support schools in the local area to embed culture and creativity across the curriculum.
- Work has been continuing to achieve external quality marks in various areas of school life. Awarded this year were:
  - Basic Skill Quality Mark Primary and Early Years
  - Inclusion Quality Mark
  - Health in Schools Award
  - Sports Trust Award
  - Inclusion Quality Mark
- Headteacher support for other schools in the Borough, acting as a Local Leader of Education (a national college initiative enabling Headteachers and other expertise to be recruited to support schools in the local area).
- Involvement in the Cultural Education Partnership, working with the Arts Council England to establish a cultural partnership within Bedford Borough.
- Improvement of sports and PE facilities and the range of sports on offer through the curriculum and extra-curricular clubs and activities. Specialist coaching has been brought in where possible.
- The Friends of Putnoe group has continued to support the school with a number of fundraising initiatives.
- Various strategies have again been employed in Year 6 to raise pupils achievement.
- Our dedicated music room and art and DT room have been completed and are now being used.
- Global Learning Partnership supports schools across the Borough to embed global learning into their curriculum.

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

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**KEY PERFORMANCE INDICATORS**

**F Stage** 80.5% Good level of Development. Average total points for the cohort 36.1

**Year 1** Phonic screening – 80.7% 32+ score

**KS1** 67.4% at or above the expected standard in combined Reading, Writing, Mathematics and Science  
74.2% at or above the expected standard in Reading  
76.4% at or above the expected standard in Writing  
74.2% at or above the expected standard in Mathematics  
80.9% at or above the expected standard in Science

**KS2** 43.6% at or above the expected standard in combined Reading, Writing and Mathematics  
65.5% at or above the expected standard in combined Reading, Writing, Mathematics and Science  
49.1% at or above the expected standard in Reading  
76.4% at or above the expected standard in Writing  
78.2% at or above the expected standard in Mathematics  
81.8% at or above the expected standard in GPS  
80.0% at or above the expected standard in Science

OfSTED inspection 20-21 May 2015 rated Putnoe Primary a Good School. This inspection was carried out under the new guidelines. Governors are happy with this judgement and appreciate the hard work of the Headteacher and staff in achieving this rating.

**GOING CONCERN**

After making appropriate enquiries, the Governing Body 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.

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

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**Financial review**

**FINANCIAL REPORT FOR THE PERIOD**

The Academy had a satisfactory financial period to 31 August 2016, with total income of £2,736,999 comprising capital funding of £10,052 and other grants and funding of £2,726,947. Of this other income £2,637,579 was received to fund educational operations. Total expenditure amounted to £2,526,659 but includes £163,529 of depreciation allocated to the restricted fixed asset fund. Revenue expenditure before depreciation and defined benefit pension scheme adjustments amounts to £2,339,130 leaving a surplus of £387,817 for the year arising on the other restricted and restricted revenue funds. After adjusting for the restricted fixed asset fund and pension fund the net movement in the year before actuarial losses amounts to £210,340.

Most of the Academy's income is obtained from the Department for Education via the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities and the grants received are detailed in note 3 to the financial statements.

GAG funding was the core funding element to the provision of educational services for the year. Of the total income for educational purposes, excluding capital grants, some 58.3% was spent on teaching and educational support staff and 9.2% on other support staff. Total staff costs represent 85.7% of GAG funding.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 19 to the financial statements.

Any surplus funds are swept nightly into a Liquidity Select account earning interest. No further Investment activities are undertaken.

**RESERVES POLICY**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to funds earmarked for future capital projects. The level of reserves will be kept under review by the Governors.

Reserves at the end of the period 31 August 2016 were £7,209,461 comprising £859,962 on the restricted general funds, £138,335 of unrestricted general funds, £6,766,164 of restricted fixed asset fund and a pension reserve deficit of £555,000.

The Governors are aware of the high percentage of carry forward reserves into 2016/17. The Academy is expecting further increases in costs, particularly staff costs and additional costs to implement the wider school strategy. The carry forward reserves are expected to be used towards these costs.

The deficit on the pension reserve relates to the non-teaching staff pension scheme (Local Government Pension Scheme) where, unlike the Teachers' Pension Scheme, separate assets are held to fund future liabilities as discussed in note 19. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

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**PUTNOE PRIMARY SCHOOL**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**INVESTMENT POLICY**

The School's Investment Strategy is:

- Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the accounts have adequate balances to meet forthcoming commitments.
- Funds surplus to immediate cash requirements (set at £10k) are transferred nightly to the School's liquidity deposit account bearing a higher interest rate.
- Periodically review interest rates and compare with other investment opportunities.
- The School's current policy is to only invest funds in risk free and immediately accessible deposit accounts.

Any change in policy requires the approval of Governors via the Management Committee.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Governing Body has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks the Academy faces are mitigated by the fact that they relate largely to bank balances, cash and trade creditors, with limited trade (and other) debtors. The exception is the Pension Scheme for Local Government Employees which has a current shortfall of £555,000 which the Academy is making up over 7 years. This amount is booked as a liability in these financial statements.

**Plans for future periods**

**FUTURE DEVELOPMENTS**

The Governors intend to continue their current strategies of improving the School's reputation by continuing to provide outstanding education for all students. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole child. The Headteacher and senior staff continue to review the curriculum to ensure that the education provided remains appropriate for our students' development.

Our future plans are to improve the schools sports facilities by investing in a Multi Use Games Area ("MUGA"). The after hours facility is very popular and needs more space to provide for all the families that want to use it. Governors will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students. Maintaining and, where necessary, developing the fabric of the facilities of the School are central to our strategy.

**FUNDS HELD AS CUSTODIAN**

No such funds are held by Putnoe Primary School.

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**PUTNOE PRIMARY SCHOOL**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

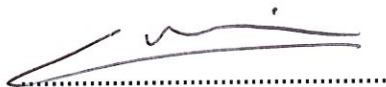
Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

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

**AUDITOR**

The auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

This report was approved by order of the Governing Body as the company directors, on 6/12/16 and signed on its behalf by:



**Mr Carl Du Plessis**  
Chair of Governors

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**PUTNOE PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**SCOPE OF RESPONSIBILITY**

As Governors, we acknowledge we have overall responsibility for ensuring that Putnoe 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 Governing Body 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 Putnoe Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mrs Amy Lumley-Wood, Parent Governor & former Chair*	5	6
Mrs Deborah Orr, Parent Governor and Vice Chair	5	6
Mrs Gillian Peck, Headteacher	6	6
Mr Carl Du Plessis, Parent Governor & Chair*	5	6
Mrs Elspeth Tierney, Staff Governor	6	6
Mrs Allison Llewellyn, Staff Governor	6	6
Mr Jatinder Garcha, Co-opted Governor	0	0
Rev Benjamin Lewis, Community Governor	6	6
Mrs Valerie Murray, Community Governor	3	6

\*Mrs Amy Lumley-Wood served as Chair of Governors until 31 August 2016, when she resigned. Mr Carl Du Plessis became the Chair of Governors from 1 September 2016.

During the course of the year the following resignations were received: Mr Jatinder Garcha

Two new Governors have joined the board this year: Rev Benjamin Lewis and Mrs Valerie Murray.

**Governance reviews:**

The Governors have completed a Governor Health check in June 2016. Three areas have been identified for improvement over the next year. Most urgent of these is improving our understanding of pupil assessment data. Training for Governors in this area is already included in the strategic plan for the next year. The other two areas relate to communication with stakeholders and the need to be more proactive in opening channels of communication. The main groups worthy of better communication are parents through the school website and staff through staff meetings.

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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The **Management Committee** is a sub-committee of the main Governing Body. Its purpose is:

- to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity; and
- to make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

During the course of the year the Management Committee reviewed all the monthly finance reports against budget. The main focus of the year was the building project, which has been completed. Extra groundwork was required over and above the planned budget but the cost of this was met from contingencies. Staff sickness absence has again required supply teacher cover.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs Elspeth Tierney, Staff Governor	6	6
Mrs Gillian Peck, Headteacher	6	6
Mrs Amy Lumley-Wood, Parent Governor & Chair	4	6
Mr Carl Du Plessis, Parent Governor	4	6
Mrs Allison Llewellyn, Staff Governor (meetings attended in her capacity as Finance Manager)	6	6
	1	1

The **Standards Committee** is also a sub-committee of the main Governing Body. Its purpose is to monitor the standards of teaching and learning in the school.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs Gillian Peck, Headteacher	5	5
Mrs Allison Llewellyn, Staff Governor	5	5
Mrs Deborah Orr, Parent Governor	5	5
Rev Benjamin Lewis, Community Governor	4	4
Mrs Valerie Murray, Community Governor	1	4

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

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

- Acquiring three quotes for purchases over the limit of £10,000.
- Ensure that the Management Committee has available regular, updated audits concerning budget holder reports, to monitor effective use of resources.
- Continually develop the school's target setting and tracking systems and share outcomes and analyses with staff and Governors to ensure finances are directed towards highlighted areas of need.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Putnoe Primary School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**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 Governing Body;
- regular reviews by the Management 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.

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016 (continued)**

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The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

In particular the checks carried out in the current period included:

- testing of income systems
- testing of payroll systems
- testing of purchasing systems
- testing of control accounts and bank reconciliations

During the year MHA MacIntyre Hudson carried out three visits to perform these additional checks. No significant weaknesses were reported and minor recommendations were presented to the Governors in written reports and steps have been taken to implement the recommendations.


**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the Governing Body on 6/12/16 and signed on their behalf, by:

  
.....  
**Mr Carl Du Plessis**  
**Chair of Governors**

  
.....  
**Gillian Peck**  
**Accounting Officer**

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2016**

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As Accounting Officer of Putnoe Primary School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

I confirm that 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 Governing Body and EFA.

  
.....  
**Gillian Peck**  
**Accounting Officer**

Date: 6/12/16.....

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

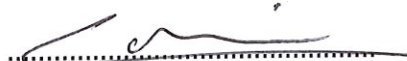
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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

Approved by order of the members of the Governing Body and signed on its behalf by:



**Mr Carl Du Plessis**  
Chair of Governors

Date: 6/12/16

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNORS OF  
PUTNOE PRIMARY SCHOOL**

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We have audited the financial statements of Putnoe Primary School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the 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 Auditor's 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**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 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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**PUTNOE PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNORS OF  
PUTNOE PRIMARY SCHOOL**

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

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

**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.

*MHA MacIntyre Hudson*

Atul Kariya FCCA (Senior Statutory Auditor)  
for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditor  
Equipoise House  
Grove Place  
Bedford  
MK40 3LE

Date: *14 December 2016*

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PUTNOE  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 August 2015 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 Putnoe Primary School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Putnoe 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 Putnoe 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 Putnoe Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PUTNOE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Putnoe Primary School's funding agreement with the Secretary of State for Education dated 27 March 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

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**PUTNOE PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PUTNOE  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

Reporting Accountant

**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditor  
Equipoise House  
Grove Place  
Bedford  
MK40 3LE

Date: *14 December 2016*

**PUTNOE PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	10,052	10,052	609,257
Charitable activities:	3					
Educational operations		-	2,636,250	-	2,636,250	2,404,231
Other trading activities	4	87,534	1,329	-	88,863	103,887
Investments	5	1,834	-	-	1,834	2,270
<b>TOTAL INCOME</b>		<b>89,368</b>	<b>2,637,579</b>	<b>10,052</b>	<b>2,736,999</b>	<b>3,119,645</b>
<b>EXPENDITURE ON:</b>						
Raising funds		5,719	-	-	5,719	11,367
Charitable activities:						
Educational operations		44,247	2,313,164	163,529	2,520,940	2,310,320
<b>TOTAL EXPENDITURE</b>	6	<b>49,966</b>	<b>2,313,164</b>	<b>163,529</b>	<b>2,526,659</b>	<b>2,321,687</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	15	39,402	324,415 (72,221)	(153,477) 72,221	210,340 -	797,958 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		39,402	252,194	(81,256)	210,340	797,958
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(305,000)	-	(305,000)	6,000
<b>NET MOVEMENT IN FUNDS</b>		<b>39,402</b>	<b>(52,806)</b>	<b>(81,256)</b>	<b>(94,660)</b>	<b>803,958</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		98,933	357,768	6,847,420	7,304,121	6,500,163
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>138,335</b>	<b>304,962</b>	<b>6,766,164</b>	<b>7,209,461</b>	<b>7,304,121</b>


The notes on pages 26 to 47 form part of these financial statements.

**PUTNOE PRIMARY SCHOOL**  
 (A Company Limited by Guarantee)  
 REGISTERED NUMBER: 08434113

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		6,766,164		6,847,420
<b>CURRENT ASSETS</b>					
Debtors	13	111,898		146,306	
Cash at bank and in hand		967,270		656,895	
			<u>1,079,168</u>	<u>803,201</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(80,871)		(120,500)	
<b>NET CURRENT ASSETS</b>			<u>998,297</u>		<u>682,701</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,764,461</u>		<u>7,530,121</u>
Defined benefit pension scheme liability	19		(555,000)		(226,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>7,209,461</u></u>		<u><u>7,304,121</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	859,962		583,768	
Restricted fixed asset funds	15	6,766,164		6,847,420	
Restricted income funds excluding pension liability		7,626,126		7,431,188	
Pension reserve		(555,000)		(226,000)	
Total restricted income funds			<u>7,071,126</u>		<u>7,205,188</u>
Unrestricted income funds	15		<u>138,335</u>		<u>98,933</u>
<b>TOTAL FUNDS</b>			<u><u>7,209,461</u></u>		<u><u>7,304,121</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 6/12/16 and are signed on their behalf, by:

  
 Mr Carl Du Plessis  
 Chair of Governors

  
 Mrs Gillian Peck  
 Accounting Officer

The notes on pages 26 to 47 form part of these financial statements.

**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<u>380,311</u>	<u>333,229</u>
<b>Cash flows from investing activities:</b>			
Interest from investments		1,834	2,270
Purchase of tangible fixed assets		(82,272)	(1,266,905)
Capital grants from DfE/EFA		10,502	9,602
Capital funding received from sponsors and others		-	578,683
<b>Net cash used in investing activities</b>		<u>(69,936)</u>	<u>(676,350)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>310,375</b>	<b>(343,121)</b>
Cash and cash equivalents brought forward		<u>656,895</u>	<u>1,000,016</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>967,270</u></u>	<u><u>656,895</u></u>

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**PUTNOE PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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

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**1. ACCOUNTING POLICIES**

The financial statements of Putnoe Primary School have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a company limited by guarantee and a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ("FRS 102"), the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' ("SORP 2015"), the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in GBP, the functional currency, rounded to the nearest £1.

**First time adoption of FRS 102**

These financial statements are the first financial statements of the Academy prepared in accordance with FRS 102 and the SORP 2015. The financial statements of the Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ("UK GAAP") and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

**1.2 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities Incorporating Income and Expenditure Account when the Academy Trust has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability.

***Grants Receivable***

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 in which it is receivable and to the extent the goods have been provided or on completion of the service.

***Donated Services and Gifts in Kind***

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities Incorporating Income and Expenditure Account, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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**PUTNOE PRIMARY SCHOOL**  
(A Company Limited by Guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

***Charitable activities***

Charitable activities are costs incurred in the Academy Trust's educational operations.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% per annum on a straight line basis
Motor vehicles	-	20% per annum on a straight line basis
Fixtures and fittings	-	25% per annum on a straight line basis
Computer equipment	-	25% per annum on a straight line basis
Freehold land	-	Not depreciated

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 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.

**1.7 Operating leases**

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

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the bank.

**1.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Pensions**

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 and the assets are held separately from those of the Academy Trust.

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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**PUTNOE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.12 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 or other funders 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 or other funders.

Investment income, gains and losses are allocated to the appropriate fund.

**1.13 Liabilities and provisions**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions:**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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:**

The judgements that have had a significant effect on amounts recognised in the Financial Statements are those concerning the choice of depreciation policies and asset lives.

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	-	-	-	20,972
Capital Grants	-	-	10,052	10,052	588,285
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	-	10,052	10,052	609,257
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £20,972 was to unrestricted funds and £588,285 was to restricted funds

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	2,072,308	2,072,308	1,803,024
Pupil Premium	-	318,425	318,425	334,137
Other EFA/DfE grants	-	91,989	91,989	77,389
	-	2,482,722	2,482,722	2,214,550
<b>Other government grants</b>				
Local authority grants	-	131,869	131,869	177,716
	-	131,869	131,869	177,716
<b>Other funding</b>				
Other income	-	21,659	21,659	11,965
	-	21,659	21,659	11,965
	-	2,636,250	2,636,250	2,404,231

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £2,404,231 was to restricted funds.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	6,089	-	6,089	7,775
School clubs	60,294	-	60,294	67,130
School shop	6,449	-	6,449	10,254
Other income	14,702	1,329	16,031	18,728
	87,534	1,329	88,863	103,887

In 2015, of the total income from other trading activities, £103,557 was to unrestricted funds and £ 330 was to restricted funds.

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**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	1,834	-	1,834	2,270

In 2015, of the total investment income, £2,270 was to unrestricted funds and £ NIL was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	5,719	5,719	11,367
Educational operations:					
Direct costs	1,614,638	-	189,376	1,804,014	1,660,326
Support costs	241,252	-	475,674	716,926	649,994
	<u>1,855,890</u>	<u>-</u>	<u>670,769</u>	<u>2,526,659</u>	<u>2,321,687</u>

In 2016, of the total expenditure, £49,966 (2015 - £90,026) was to unrestricted funds and £2,476,693 (2015 - £2,231,661) was to restricted funds.

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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	1,227,185	1,141,676
National insurance	85,741	71,461
Pension cost	222,700	190,927
Agency staff costs	79,012	64,513
Educational supplies	90,502	96,134
Staff development	11,175	4,676
Staff related insurance	15,764	19,531
Technology costs	19,844	15,781
Other direct costs	52,091	55,627
	<u>1,804,014</u>	<u>1,660,326</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	191,055	171,859
National insurance	9,805	7,545
Pension cost	40,392	35,521
Depreciation	163,529	91,301
Defined benefit pension scheme - net finance cost	9,000	8,000
Technology costs	19,235	17,805
Maintenance of premises and equipment	20,155	50,601
Operating lease rentals	8,741	7,169
Rent and rates	6,204	5,230
Energy	26,450	25,914
Insurance	15,680	19,129
Catering	154,244	140,547
Other occupancy costs	14,891	15,786
Other support costs	23,780	31,941
Governance costs	13,765	21,646
	<u>716,926</u>	<u>649,994</u>
Total Academy's educational operations	<u><u>2,520,940</u></u>	<u><u>2,310,320</u></u>

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**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	163,528	91,301
Auditor's remuneration - audit	7,000	6,500
Auditor's remuneration - other services	5,850	5,200
Operating lease rentals	8,741	7,169
	<u>          </u>	<u>          </u>

**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,418,240	1,313,535
Social security costs	95,545	79,006
Operating costs of defined benefit pension schemes	263,093	226,448
	<u>          </u>	<u>          </u>
	1,776,878	1,618,989
Supply teacher agency costs	79,012	64,513
	<u>          </u>	<u>          </u>
	1,855,890	1,683,502
	<u>          </u>	<u>          </u>

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

	2016 No.	2015 No.
Teaching	19	18
Administration and support	69	56
Management	6	6
	<u>          </u>	<u>          </u>
	94	80
	<u>          </u>	<u>          </u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	1

The Key Management Personnel of the Academy comprise the Governors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer's pension contributions) received by Key Management Personnel for their services to the Academy was £366,461 (2015: £340,704).

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

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**10. GOVERNORS' REMUNERATION AND EXPENSES**

The Headteacher and other 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, other than expenses, from the Academy Trust in respect of their role as Governors. The value of Governors' remuneration during their term of office in the period ended 31 August 2016 (including employer's pension contributions) fell within the following bands:

Mrs Gillian Peck (Headteacher):

Remuneration	£75,000 - £80,000 (2015: £70,000 - £75,000)
Employer's pension contributions	£10,000 - £15,000 (2015: £10,000 - £15,000)

Mrs Allison Llewellyn (Staff Governor):

Remuneration	£30,000 - £35,000 (2015: £30,000 - £35,000)
Employer's pension contributions	£5,000 - £10,000 (2015: £5,000 - £10,000)

Mrs Elspeth Tierney (Staff Governor):

Remuneration	£5,000 - £10,000 (2015: £5,000 - £10,000)
Employer's pension contributions	£0,000 - £5,000 (2015: £0,000 - £5,000)

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

**11. 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 £5,000,000 on any one claim and any one membership year. The cost of the insurance for the year ended 31 August 2016 is not separately identified but is included in the total insurance cost of £15,680 paid under the Department for Education's Risk Protection Arrangement, ("RPA"). The RPA is not an insurance scheme but is a mechanism through which the costs of risks that materialise are covered by government funds. In the year ended 31 August 2015 the cost of this insurance was also included within the total insurance cost.

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**FOR THE YEAR ENDED 31 AUGUST 2016**

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2015	6,798,755	3,000	134,793	113,696	7,050,244
Additions	31,095	-	9,071	42,106	82,272
At 31 August 2016	<u>6,829,850</u>	<u>3,000</u>	<u>143,864</u>	<u>155,802</u>	<u>7,132,516</u>
<b>Depreciation</b>					
At 1 September 2015	181,250	3,000	9,907	8,667	202,824
Charge for the year	95,975	-	35,063	32,490	163,528
At 31 August 2016	<u>277,225</u>	<u>3,000</u>	<u>44,970</u>	<u>41,157</u>	<u>366,352</u>
<b>Net book value</b>					
At 31 August 2016	<u>6,552,625</u>	<u>-</u>	<u>98,894</u>	<u>114,645</u>	<u>6,766,164</u>
At 31 August 2015	<u>6,617,505</u>	<u>-</u>	<u>124,886</u>	<u>105,029</u>	<u>6,847,420</u>

Included in freehold property is freehold land at valuation at conversion to Academy status of £2,000,000 which is not depreciated.

The additions to freehold property relate to costs incurred in the year on the building of the new classroom block which was significantly financed through the Academies Capital Maintenance Fund.

**13. DEBTORS**

	2016 £	2015 £
Trade debtors	230	91
VAT repayable	34,728	67,718
Prepayments and accrued income	76,940	78,497
	<u>111,898</u>	<u>146,306</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	881	65,726
Accruals and deferred income	79,990	54,774
	<u>80,871</u>	<u>120,500</u>
	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	44,989	45,207
Resources deferred during the year	38,896	44,989
Amounts released from previous years	(44,989)	(45,207)
	<u>38,896</u>	<u>44,989</u>
Deferred income at 31 August 2016		

At the balance sheet date the Academy Trust was holding funds received in advance for the following purposes: capital funding £6,049 (2015: £5,731) and Universal Infant Free School Meals £32,847 (2015: £39,258).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General unrestricted funds	98,933	89,368	(49,966)	-	-	138,335
<b>Restricted funds</b>						
General Annual Grant (GAG)	500,588	2,072,308	(1,777,681)	(72,221)	-	722,994
Other restricted funds	83,180	565,271	(511,483)	-	-	136,968
Pension reserve	(226,000)	-	(24,000)	-	(305,000)	(555,000)
	<u>357,768</u>	<u>2,637,579</u>	<u>(2,313,164)</u>	<u>(72,221)</u>	<u>(305,000)</u>	<u>304,962</u>
<b>Restricted fixed asset funds</b>						
Capital grants and income	6,847,420	10,052	(163,529)	72,221	-	6,766,164
Total restricted funds	<u>7,205,188</u>	<u>2,647,631</u>	<u>(2,476,693)</u>	<u>-</u>	<u>(305,000)</u>	<u>7,071,126</u>
Total of funds	<u><u>7,304,121</u></u>	<u><u>2,736,999</u></u>	<u><u>(2,526,659)</u></u>	<u><u>-</u></u>	<u><u>(305,000)</u></u>	<u><u>7,209,461</u></u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium and other local authority funding for which income received is used to cover costs associated with these activities.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. An amount of £216,000 was transferred to the Academy Trust in respect of the deficit on this pension scheme at the date of conversion to an Academy. The fund is in deficit but given the nature of the liability this is not payable immediately.

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds of £72,221 represents amounts capitalised during the year.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the Bedford Borough local authority following the transfer of the land and buildings.

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

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

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

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Tangible fixed assets	-	-	6,766,164	6,766,164	6,847,420
Current assets	138,335	940,833	-	1,079,168	803,201
Creditors due within one year	-	(80,871)	-	(80,871)	(120,500)
Pension scheme liability	-	(555,000)	-	(555,000)	(226,000)
	<u>138,335</u>	<u>304,962</u>	<u>6,766,164</u>	<u>7,209,461</u>	<u>7,304,121</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	210,340	797,958
<b>Adjustment for:</b>		
Depreciation charges	163,528	91,301
Interest from investments	(1,834)	(2,270)
Decrease/(increase) in debtors	34,408	(56,709)
(Decrease)/increase in creditors	(39,629)	68,234
Capital grants from DfE and other capital income	(10,502)	(588,285)
Defined benefit pension scheme cost less contributions payable	15,000	15,000
Defined benefit pension scheme finance cost	9,000	8,000
<b>Net cash provided by operating activities</b>	<u>380,311</u>	<u>333,229</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	967,270	656,895
<b>Total</b>	<u>967,270</u>	<u>656,895</u>

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**19. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

**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 £131,000 (2015 - £104,000).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £148,000 (2015 - £135,000), of which employer's contributions totalled £117,000 (2015 - £107,000) and employees' contributions totalled £31,000 (2015 - £28,000). The agreed contribution rates for future years are 23.2% for employers and between 5.5% and 7.5% for employees.

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

Principal actuarial assumptions:

	<b>2016</b>	2015
Discount rate for scheme liabilities	<b>2.10 %</b>	3.80 %
Rate of increase in salaries	<b>3.10 %</b>	3.60 %
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	2.70 %

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

	<b>2016</b>	2015
	<b>Years</b>	Years
Retiring today		
Males	<b>22.4</b>	22.4
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>24.4</b>	24.4
Females	<b>26.8</b>	26.8

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**19. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	705,000	433,000
Debt instruments	92,000	116,000
Property	92,000	71,000
Cash	27,000	26,000
	<u>916,000</u>	<u>646,000</u>
Total market value of assets	<u>916,000</u>	<u>646,000</u>

The actual return on scheme assets was £27,000 (2015 - £13,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(132,000)	(122,000)
Net interest cost	(9,000)	(8,000)
	<u>(141,000)</u>	<u>(130,000)</u>
Total	<u>(141,000)</u>	<u>(130,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	872,000	707,000
Current service cost	132,000	122,000
Interest cost	36,000	29,000
Contributions by employees	31,000	28,000
Actuarial losses/(gains)	400,000	(14,000)
	<u>1,471,000</u>	<u>872,000</u>
Closing defined benefit obligation	<u>1,471,000</u>	<u>872,000</u>

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**19. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	646,000	498,000
Interest income	27,000	21,000
Actuarial gains and (losses)	95,000	(8,000)
Contributions by employer	117,000	107,000
Contributions by employees	31,000	28,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>916,000</b>	646,000
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in the Balance Sheet are as follows:

	2016 £	2015 £
Closing defined benefit obligation	(1,471,000)	(872,000)
Closing fair value of scheme assets	916,000	646,000
	<hr/>	<hr/>
Net defined benefit pension scheme liability	<b>(555,000)</b>	(226,000)
	<hr/> <hr/>	<hr/> <hr/>

**20. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	8,742	7,687
Between 1 and 5 years	7,554	22,928
	<hr/>	<hr/>
Total	<b>16,296</b>	30,615
	<hr/> <hr/>	<hr/> <hr/>

All commitments above relate to assets other than land and buildings.

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**21. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations and the composition of the Governing Body 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 at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than those disclosed in note 10.

**22. OTHER FINANCE INCOME**

	2016 £	2015 £
Interest income on pension scheme assets	27,000	21,000
Interest on pension scheme liabilities	(36,000)	(29,000)
	<u>(9,000)</u>	<u>(8,000)</u>

**23. 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.

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**24. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>1 September 2014</b>	<b>31 August 2015</b>
	<b>£</b>	<b>£</b>
Total funds under previous UK GAAP	6,500,163	7,304,121
Total funds reported under FRS 102	<u>6,500,163</u>	<u>7,304,121</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>31 August 2015</b>
		<b>£</b>
Net income previously reported under UK GAAP		807,958
Restatement of pension scheme net interest	*	(10,000)
Net movement in funds reported under FRS 102		<u>797,958</u>

\* The calculation basis for actuarial gains and losses on a defined benefit pension scheme has changed under FRS 102. This has resulted in a £10,000 decrease in the return on assets recognised in the net income for the year shown on the Statement of Financial Activities. A corresponding decrease of £10,000 in the actuarial loss has also been recognised, thus leaving the net movement in funds for the year and the total funds at 31 August 2016 unchanged from that previously reported.