

Registration number: 07530497

Bradworthy Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

Thompson Jenner LLP
Statutory Auditors
28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

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Bradworthy Primary Academy

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Bradworthy Primary Academy

Reference and Administrative Details

Trustees (Directors) J S Purl
B P W Radford, (Chair of Trustees)
R J Stephenson

Senior Management Team R Stephenson, Headteacher
B Turner, Deputy Headteacher
S Bailey, School Administrator

Principal and Registered Office Bradworthy Primary Academy
Mill Road
Bradworthy
Holsworthy
Devon
EX22 7RT

Company Registration Number 07530497

Auditors Thompson Jenner LLP
Statutory Auditors
28 Alexandra Terrace
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Devon
EX8 1BD

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016

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

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bradworthy, North Devon. It has a pupil capacity of 210 and had a roll of 178 in the January 2015 school census.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy. The trustees of Bradworthy Primary Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bradworthy Primary Academy.

Details of the Trustee's who served throughout the year 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.

Trustee's Indemnities

The Academy has Indemnity insurance for Trustee's limited to £5,000,000

Principal Activities

The principal activity of the Charitable Company is to advance, for the public benefit, education in Bradworthy by establishing, maintaining and operating a school offering a broad curriculum.

Method of Recruitment and Appointment or Election of Trustees

The Trustee's are Directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The articles of association require the Trustees of the Charitable Company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy. Up to twelve Governors may be appointed by the Members. The Members may also appoint up to three staff (not including the principal) provided the total number of Governors (including the principal) who are employees of the Academy does not exceed one third of the total number of Governors. The Local Authority, being Devon County Council may appoint up to one LA Governor. A minimum of two and up to four parent governors may be appointed and are elected by the parents of the registered pupils at the Academy. Finally The Secretary of State may appoint additional Governors as he thinks fit if the Secretary of State has given the Governors a warning notice and the Governors have failed to comply or secure compliance, with the notice to the satisfaction of the Secretary of State. Governors' term of office is four years but they are eligible for re-election at the meeting at which they retire.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees.

The governors have continued to take a full and appropriate role in the work and development of the academy. Over many years they have developed the experience and skill base required to effectively aid the academy in its work. Their strategic role, and support for the school, has been recognised by Ofsted during this period.

In this period this has included full consideration of the various legislations involved in this process, including a new set of financial regulations and controls, and responsibilities for areas such as safeguarding, health and safety and Special Educational needs / Disability (SEND).

They have ensured effective progress towards the academy's development aims, and made appropriate provision for the proper allocation of funds, staff and other resources which support this.

The governors have properly fulfilled their monitoring roll during this period, visiting the academy to experience teaching and learning, and meet with staff and children to consider both practice and development.

This period has been very settled staffwise with 2 new teachers starting September 2015, including a NQT who has successfully completed her induction year. Pupils on role have increased by 3.

The Governors have developed and applied their skills to support a bid for a loan from EFA to erect a new classroom, which would link into the pre-school and thereby give them some more, much needed space. The Governors were anxious to provide the accommodation needed for a neighbouring primary school which was being closed by the LA and therefore avoid the possibility of overcrowded classrooms.

The loan was also intended to refurbish the main office, erect as staircase to a mezzanine floor above to provide a spacious room for the Headteacher.

Regretfully, this bid for a loan (not funding) was unsuccessful and met with huge disappointment.

The Governors decided however to proceed with the office refurbishment and Headteacher's office and this was completed on time, to a high standard of finish and paid for using school funds.

Security doors and keypads have also been fitted internally. New gate with high sliding bolt has been fitted to road access.

During the financial year to 31 August 2016 the Trustees held four full meetings.

Organisational Structure

The Trustee's are responsible for setting general policy, adopting a development plan and budget, monitoring the Academy through close liaison with and reporting from the head teacher and through personal observations by visits to the school, making major decisions about the strategic direction of the Academy including capital expenditure and involvement in staff appointments in consultation with the Head Teacher.

The Trustee's are appointed in line with articles 50 to 64 within the Memorandum of Association. When appointing new Trustee's the Governing Body recognises the need to have a wide range of skills amongst the Trustee's.

The Head Teacher is the Accounting Officer for the Academy.

Post of Responsible Officer for the Academy was passed from a Trustee to Thompson and Jenner.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

Arrangements for setting pay and remuneration of key management personnel:

The Headteacher must demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress at the school and will be subject to a review of performance against their performance objectives before any pay increase will be awarded. The clarification of the application of the criteria for Leadership Group progression will be taken fully into account. No pay progression for this post is automatic. Any progression is reviewed and agreed by governors taking into account performance in role and national benchmarks including STPCD.

The Senior Leadership Team (SLT) must demonstrate sustained high quality of performance in respect of school leadership and management and pupil progress and will be subject to a review of performance against their performance objectives before any performance points will be awarded. The clarification of the application of the criteria for Leadership Group progression will be taken fully into account. Annual pay progression within the pay range for these posts is not automatic. Any progression will normally be by one point, but the governing body may consider movement by two points in exceptional circumstances. The national leadership scales as agreed by all unions in 2015 based on STPCD recommendations apply.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Bradworthy Academy Trust. The Academy encourages strong communication links between the various parent and community forum groups which are linked to the schools.

Objectives and Activities

The principal objectives and activities of the Charitable Company are the operation of the Academy known as Bradworthy Primary Academy and to provide a differentiated free education for students between the ages of 4 and 12. In setting the objectives and planning the activities the Trustee's have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Objectives

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

- to deliver high quality education and care to all students within the Academy,
- to maintain and enhance the standards and achievements of all pupils,
- to include and meet the needs of all pupils whatever their educational need,
- to review and enrich the curriculum to provide a broad and balanced curriculum,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategy

The Academy's main strategy is to create and promote a happy and enriching learning environment by working in partnership with parents and the community that will inspire children to achieve high standards. The Academy hopes that by celebrating the children's achievements, helping them fulfil their potential, respecting their differences and encouraging kindness, consideration and respect for each other and their environment, we will foster self-esteem and provide a sound foundation for their future life. The Academy aims to do its very best to offer a broad and balanced curriculum and a large range of extracurricular activities.

The Academy has reviewed its development plan and is setting a new five year plan, which details how it intends to achieve the aims and objectives. The activities provided include:

- teaching and learning opportunities to ensure each child achieves to their full potential,
- training opportunities for all staff,
- a programme of enrichment and extension activities for all students,
- developing strong collaborative partnerships with other schools and organisations.

Public Benefit

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Achievements and Performance

We have continued to work to embed our academy's ethos which outlines and explains the educational philosophy in which we believe, and which forms the corner-stone of our current work and the academy's future development.

The school was inspected by Ofsted in 2014. The Inspectors were very positive about our work and the standards that we achieve by the time children leave the school at the end of Key Stage Two.

Our school hall, which is used for sport, drama, music and day-to-day activities like school dinners and assembly, is a huge step forward in our development, and the culmination of many years of hard work. For the first time ever we have accommodation which is of a good standard and this puts us in an excellent place to develop our school in a diverse and exciting range of ways.

Academic standards have remained consistently high throughout this period, as they have been for many years, and the Summer 2015 Key Stage Two SAT results placed Bradworthy Primary Academy within the top 250 Primary Schools in England (233rd to be exact). Bradworthy Primary Academy was one of the four schools mentioned in Devon in the Top 250 State Primary School article in The Sunday Times, (20/11/2016). In respect of both our "value added measure", which measures progress across the academy, and in terms of the level that the children achieved, where both the number of children achieving greater than Level Four, and the number of children achieving the higher Level Five or better were above national averages. Analysis of groups has shown the performance of both boys and girls to be above national averages. Children in the "free school meals" group and those on the special educational needs register have made very good progress across the academy. Rates of attendance have been very good and there have been no exclusions during this period.

The academy has continued to place a great emphasis on our extended curriculum, offering a huge range of heavily subsidised activities and trips, both within and beyond, the school day because we believe that this has a very positive effect on the children's development as rounded individuals as well as on academic standards. We have worked hard to embed this approach to learning and in support of this, and with the help of our pupil premium, we now fund and operate three minibuses which we subsidise so that they may be used freely by all children. All minibuses operate on a Section 19 permit.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

Younger children, including Reception Class attend Forest School at nearby Tamar Lakes. Older children enjoy visits to Julians Farm in the neighbouring parish of West Putford.

Year's 5 and 6 walk and camp on Dartmoor and this activity culminates with a Ten Tor challenge which is taken up by most of the older children and always achieved. Parents are also keen to be involved in this activity and it is one of the highlights of the school year.

Sport has been a central part of our work throughout this period. We employ specialist teachers and coaches to ensure that all children achieve high standards and enjoy regular access, older children are achieving at least five hours of activities based on sport and fitness. Teams have represented the academy in most traditional sports with high levels of success in rugby, hockey, football and cross country running both locally and in regional competitive events. We have also developed, and extended, our curriculum so that children have access to a range of adventurous activities. This year we have again qualified for the National competitions in Stoke, twice. Our Hockey team reached the area finals held in Torbay.

The creative arts are key to our work and we employ specialist teachers who support and extend the children's work in music, art and drama. Free tuition is offered on a weekly basis and supports brass band, ukulele, choir and guitar groups.

Our choir and band felt honoured to be invited to play before HRH Princess Anne when she officially opened Holsworthy Market.

Our choir were delighted to be asked to sing in Holsworthy Theatre by Holsworthy Rotary Club.

Our choir were delighted to sing at The Devon County Show at Westpoint, Exeter.

We have produced a large scale Christmas Musical called Bobby Pilgrim, the first of a trilogy – the second performance was during the Leavers Barbeque in July and the final showing being aimed for Christmas 2016. We had held an art exhibition and a number of different concerts with the children performing regularly with enthusiasm.

The children have enjoyed a travelling Theatre showing The Lion, the Witch and the Wardrobe to the whole school. This was followed up with the Theatre members delivering a workshop for the Year 6

Bikeability training has taken place for Year 6 using the playgrounds and the surrounding roads to give children first hand experience of traffic.

Bikeability training has taken place for Year 4 within the playground and in our hall when the weather was not favourable.

Gardening has featured high this year under the excellent teaching of a Professional Gardener and our Year 3 teacher, who was successful in obtaining funds from The East Youlstone Community Benefit Fund and a substantial donation of gardening tools from Mole Valley Farmers. Children have produced plants to sell and have reached a real sense of achievement.

Careful budgeting and a growing school roll have enabled us to fully embed our seventh teaching group so that all children can be taught in single age groups. Average class sizes have grown to twenty five through this period and in some classes this is much higher. A lack of stability in small local schools and building work in the village seem likely to grow our roll further in the next few years, which will once again put pressure on our accommodation. We will attempt to deal with this in a proactive way by raising funds for building new accommodation.

The academy has continued to offer a free childcare service throughout this period, opening from 8.00am until 5.30pm each day, in support of the local community so that parents and carers can attend work and training without the constraints of a short school day or the prohibiting factors of expensive childcare.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

The academy has continued to take an active role in local community life. This has included the use of its facilities and grounds by local groups, the use of the village hall, church and chapel for various events, support for aspects of local development such as the play area and housing initiatives.

The children write articles for the monthly Bradworthy News and provide photographs if appropriate.

The children always provide the artwork for the front cover of this magazine.

We accept students involved in teacher training and students needing placements to fulfill their requirements to have experience working with children. This is under the watchful eyes of two of our senior teachers.

Two of our members of staff have obtained British Sign Language qualifications to support two children who are profoundly deaf. Other members of staff can communicate using BSL.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the balance sheet date as well as the number of pupils at the school as this is what the DfE funding is based on.

Financial Review

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £772,923 was covered by recurrent grant funding from the DfE together with other incoming resources and brought forward reserves.

Restricted Funds

In the year, the Trust has received General Annual Grant (GAG) income totalling £654,191. The trust spent the whole of this on GAG activities. Of this, 94.6% was spent on salary costs.

£25,119 was transferred to the Fixed Asset Fund to support capital purchases to improve the learning environment. This was offset by a transfer of £23,922 from unrestricted reserves.

The trust received £27,247 of Capital Grants in the year from the Devolved Formula Capital grant. This was spent on a variety of small IT, Building and Equipment projects.

The Trust carries forward £nil into the next accounting period (excluding the pension reserve).

Unrestricted Funds

The trust generated £36,494 of its own income. £23,590 of this related to Catering, and £25,241 from Activities & Trips. The trust received £3,420 of voluntary donations in the year.

The Trust carries forward a balance of £101,649 on the unrestricted fund to the next accounting year.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. The Trustees consider that unrestricted reserves of £101,649 are appropriate to cover unexpected costs with a possibly higher carry forward for specific capital projects.

Investment Policy

The Trustees are committed to ensuring that all funds managed by the academy on their behalf are used in such a way as to maximise return whilst minimising risk. This is not a key activity for the school and the risk profile of any investments made should be low but should provide an effective utilisation of school assets.

Where cash balances are held the Trustees ensure that these are deposited in a suitable account seeking a high rate of return at a low risk. Cash investments are monitored to ensure these are inline with the objectives of the Academy.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund.

Principal Risks and Uncertainties

Income

As the Academy has one main funder, being the DfE, there is a reliance on this funding remaining at a level sufficient to cover the financial requirements of the Academy. This is outside the control of the Academy.

Pupil numbers

As the DfE funding is based on pupil numbers, the Academy is reliant on the demographics of the catchment areas and parental preference.

Cashflow risk

The Academy currently considers that it has sufficient cash reserves for normal day to day operations.

Plans for Future Years

Projections suggest that our roll will continue to increase leading to continuing problems with overcrowding, which will inevitably precluding many activities and prove a bar to continued development in many areas. Toilet facilities are inadequate. Additionally there is a lack of space for staff to work in and limited areas for private meetings.

All of the above will form the basis of an attempt to obtain additional funds for buildings work.

The introduction of a new national curriculum has prompted us to review and develop our own teaching and learning policy and procedures and develop the curriculum that we offer our children. This is set firmly in the context of our ethos and will be on-going for several years.

We intend to develop the way in which we go about monitoring standards in our school, with particular reference to Key Stage One and the extent to which children with higher levels of ability are stretched and achieve at the end of Year Two.

There will also be focus on children's progress through our phonics programme so that good levels of achievement are apparent at the end of Year One.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2016 (continued)

Detailed development plans, which cover a range of areas, and other areas, such as staff reorganisation and responsibilities, staff appraisal in response to the new teaching standards and pay policy, teaching and learning, assessment and reporting, sport and health and integrated topics which properly reflect our ethos, have been prepared.

Auditor

In so far as the Trustees are aware:

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

Reappointment of auditor

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the board of trustees on ~~15/12/16~~ and signed on its behalf by:



B P W Radford
Trustee

Bradworthy Primary Academy

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to R J Stephenson, 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 Bradworthy Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
J S Purl	5	6
B P W Radford	5	6
R J Stephenson	6	6

A review of the governance is performed on an annual basis

Review of value for money

As accounting officer the trustee 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Bradworthy Primary Academy

Governance Statement (continued)

Improvement of Educational Results

Academic standards have remained consistently high throughout this period, as they have been for many years, and the Summer 2016 Key Stage Two SAT results placed our pupils within the top 250 of primary schools nationally and one of the four primary schools mentioned in Devon. This was the case in respect of both our “value added measure”, which measures progress across the academy, and in terms of the level that the children achieved, where both the number of children achieving greater than Level Four, and the number of children achieving the higher Level Five, and better, were above national averages. Children on the special educational needs register have made very good progress across the academy, effectively “closing the gap” with other children. Our ethos explains the fundamental need for all children to have access to the widest possible range of experiences so that they will develop as fully rounded people who can contribute effectively in society.

We believe that these experiences and the commitment to life at school that they engender are fundamental to the development of our children and are a powerful influencing factor in achieving the high academic standards that we do.

The provision of these experiences is challenging as we live in an area of rural deprivation and this is why we allocate substantial amounts of money to the subsidy of residential trips, day trip and other extension activities, why we spend funds on specialist teachers in music, sport and art and why we run three minibuses so that we are able to access these in a cost effective way.

We operate free before and after school child care provision for all children in school. The school community recognises the fact that we live in an isolated area where rural deprivation is an issue and where a standard 9.00am to 3.30pm school day does not allow people the flexibility to gain meaningful employment. Local wages are low and expensive child care a limiting factor on people obtaining employment. We believe that it is important for children to grow up in families where people are working and that this has a very positive effect on children’s development in the widest sense. The service operates through the good will of our staff and is exceptionally cost effective.

Financial Governance and Oversight

Our Trustees and the Accounting Officer are fully involved in financial governance and oversight. Budget setting is fully considered prior to the start of each financial year in relation to our school roll and available funds, within the context of the Academy’s needs and developmental aims. Management accounts are prepared and examined at each Trustees’ meeting so that actual spending can be compared to original plans and allocations of funds. This allows challenging discussion in relation to the way funds are facilitating the successful running of the Academy and it’s development in relation to the Academy’s ethos and reported outcomes. Full evaluation of the success of our work and the effect that funding has on development is key because this, in turn, leads to better financial planning so that available funds can be effectively targeted in the future.

Better Purchasing

Appraisal of our various contracts and service providers is part of our annual work and we are constantly seeking opportunities for more cost effective options. This is a real challenge, especially where the provision of services such as water and energy are concerned, and whilst the installation of a biomass heating system is providing significant savings, other areas, such as the cost of water, electricity and internet connectivity, are proving difficult to control and are of concern.

Our budget is based on the funds made available to Devon LA and as such it is very low in comparison to schools nationally. We have worked hard to achieve low adult / pupil ratios and as policy our staffing levels are high and this necessitates relatively low levels of curriculum spending.

Our monitoring leads us to believe that all purchases are targeted, represent good value and that waste is at an absolute minimum. Where available, options are appropriately considered prior to purchase so that goods and services are appropriate to our needs and of value. The nature of our isolated rural community often leads to limited opportunities where economies of scale are concerned, however it is our policy to use our funds in within the local community wherever possible and we believe that this provides excellent value for money.

Bradworthy Primary Academy

Governance Statement (continued)

Income Generation

Opportunities for the generation of additional income are limited by the nature of our work and the community in which we operate. We operate a thriving school meals service, and whilst it is non-profit making and subsidised by our general budget, it has an annual income of over £30,000 which allows it to remain tenable. The need for additional equipment to provide for the increased demands for meals as a result of the government's free school meals initiative has been challenging, but achieved, as there was no access to additional external funding for our academy.

Various fundraising initiatives, including those facilitated by our "PTA" have raised over £5,000 which provides much needed "extras" which wouldn't otherwise be unaffordable.

Review of Controls and Management of Risks

We operate within the context of a small village school with the resources for only limited staffing. Our budget is small and the financial margins within which we work very tight. The level of financial risk is low and in the view of our governing body our controls are measured and appropriate. Review of our arrangements is an integral part of the discussions, and work, of our governors.

Lessons Learned

We operate a very tight budget with a growing roll leading to significant difficulties relating to the provision of staffing on funds based on a census return which is nearly twelve months out of date at the start of the new financial year.

We have operated for many years in an area of very low financial resource, and whilst academy status has allowed greater flexibility and control, there is still disparity between our status and the national average. Within this context we have constantly reviewed and adapted the way in which we allocate our funds to achieve our aims. In the view of our governors our academy achieves outstanding results with very limited funds, and as such we believe that we offer outstanding value for money.

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 Bradworthy Primary Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Bradworthy Primary Academy

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function.

Jayne Purl, a Trustee, has stepped down as the Responsible Officer and this role is now covered by Thompson Jenner, from April 2016. They will visit the school four times per year and give advice on financial matters and perform a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Bradworthy Primary Academy

Governance Statement (continued)

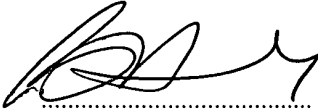
Review of effectiveness

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

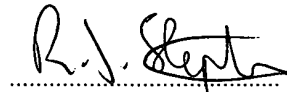
- the work of the responsible officer and internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15/12/16 and signed on its behalf by:



B P W Radford
Trustee



R J Stephenson
Accounting officer
Trustee

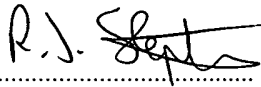
Bradworthy Primary Academy

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bradworthy Primary Academy I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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



.....
R J Stephenson
Accounting officer

Date: 15.12.2016
.....

Bradworthy Primary Academy

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

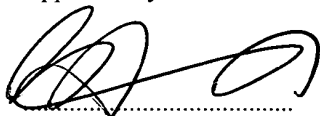
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the Board on 15/12/16 and signed on its behalf by:



B P W Radford
Trustee

Bradworthy Primary Academy

Independent Auditor's Report on the Financial Statements to the Members of Bradworthy Primary Academy

We have audited the financial statements of Bradworthy Primary Academy for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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".

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 16), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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 the 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 the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

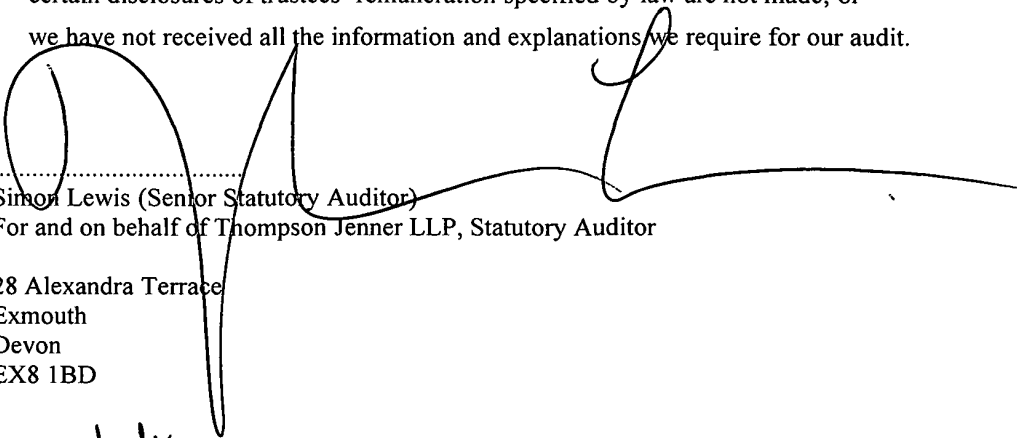
Bradworthy Primary Academy

Independent Auditor's Report on the Financial Statements to the Members of Bradworthy Primary Academy (continued)

Matters on which we are required to report by exception

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

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



.....
Simon Lewis (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

Date: 20/12/16

Bradworthy Primary Academy

Independent Reporting Accountant's Report on Regularity to Bradworthy Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 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 Bradworthy Primary Academy during the period 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 the board of trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the board of trustees 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 the board of trustees and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2012, 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 from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

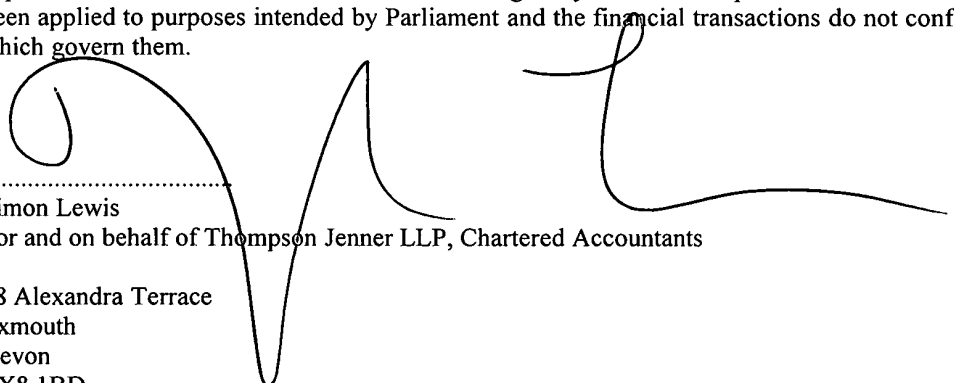
- Inspection and review of documentaion providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant assumptions
- Evaluation of incoming resources and resources expended being in line with the charitable objectives of the academy and in line with any restrictions imposed.

Bradworthy Primary Academy

Independent Reporting Accountant's Report on Regularity to Bradworthy Primary Academy and the Education Funding Agency (continued)

Conclusion

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



.....
Simon Lewis

For and on behalf of Thompson Jenner LLP, Chartered Accountants

28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

Date: 20/12/16

Bradworthy Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	3,420	-	27,247	30,667
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	735,131	-	735,131
Other trading activities	4	33,048	30,932	-	63,980
Investments	5	26	-	-	26
Total		36,494	766,063	27,247	829,804
Expenditure on:					
Raising funds	6	15,063	37,655	-	52,718
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	761,268	33,688	794,956
Total		15,063	798,923	33,688	847,674
Net income/(expenditure)		21,431	(32,860)	(6,441)	(17,870)
Transfers between funds		(23,922)	(1,197)	25,119	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	(143,000)	-	(143,000)
Net movement in (deficit)/funds		(2,491)	(177,057)	18,678	(160,870)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2015		104,140	(237,943)	1,521,308	1,387,505
Total funds/(deficit) carried forward at 31 August 2016		101,649	(415,000)	1,539,986	1,226,635

Bradworthy Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	7,449	-	6,724	14,173
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	720,813	-	720,813
Other trading activities	4	31,328	25,327	-	56,655
Investments	5	97	-	-	97
Total		<u>38,874</u>	<u>746,140</u>	<u>6,724</u>	<u>791,738</u>
Expenditure on:					
Raising funds	6	-	30,565	-	30,565
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	717,271	31,702	748,973
Total		<u>-</u>	<u>747,836</u>	<u>31,702</u>	<u>779,538</u>
Net income/(expenditure)		38,874	(1,696)	(24,978)	12,200
Transfers between funds		-	(15,247)	15,247	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	1,000	-	1,000
Net movement in funds/(deficit)		38,874	(15,943)	(9,731)	13,200
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2014		<u>65,266</u>	<u>(222,000)</u>	<u>1,531,039</u>	<u>1,374,305</u>
Total funds/(deficit) carried forward at 31 August 2015		<u>104,140</u>	<u>(237,943)</u>	<u>1,521,308</u>	<u>1,387,505</u>

Bradworthy Primary Academy
(Registration number: 07530497)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	1,539,986	1,521,308
Current assets			
Debtors	12	23,191	11,994
Cash at bank and in hand		<u>118,800</u>	<u>161,188</u>
		141,991	173,182
Creditors: Amounts falling due within one year	13	<u>(40,342)</u>	<u>(60,985)</u>
Net current assets		<u>101,649</u>	<u>112,197</u>
Total assets less current liabilities		<u>1,641,635</u>	<u>1,633,505</u>
Net assets excluding pension liability		1,641,635	1,633,505
Pension scheme liability	21	<u>(415,000)</u>	<u>(246,000)</u>
Net assets including pension liability		<u><u>1,226,635</u></u>	<u><u>1,387,505</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	8,057
Restricted fixed asset fund		1,539,986	1,521,308
Restricted pension fund		<u>(415,000)</u>	<u>(246,000)</u>
		1,124,986	1,283,365
Unrestricted funds			
Unrestricted general fund		<u>101,649</u>	<u>104,140</u>
Total funds		<u><u>1,226,635</u></u>	<u><u>1,387,505</u></u>

The financial statements on pages 21 to 45 were approved by the Trustees, and authorised for issue on 15/12/16 and signed on their behalf by:



B P W Radford
Trustee

Bradworthy Primary Academy

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(17,295)	88,765
Cash flows from investing activities	18	<u>(25,093)</u>	<u>(15,150)</u>
Change in cash and cash equivalents in the year		(42,388)	73,615
Cash and cash equivalents at 1 September		<u>161,188</u>	<u>87,573</u>
Cash and cash equivalents at 31 August	19	<u><u>118,800</u></u>	<u><u>161,188</u></u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

Statement of accounting policies

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.

Basis of preparation

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

Bradworthy Primary Academy meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Long leasehold land & buildings	2% straight line basis
Fixtures, fittings and equipment	20% straight line basis
Computer equipment	20% straight line basis

Liabilities

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

Provisions

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

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

Leased assets

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

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

Fund accounting

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

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

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting policies (continued)

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 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	27,247	27,247	6,724
Other donations	3,420	-	3,420	7,449
	<u>3,420</u>	<u>27,247</u>	<u>30,667</u>	<u>14,173</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant	654,191	654,191	635,410
Universal Infant Free School Meals	23,161	23,161	22,287
Other DfE/EFA Grants	44,845	44,845	47,075
	<u>722,197</u>	<u>722,197</u>	<u>704,772</u>
Other government grants			
Special Educational Grants	12,934	12,934	14,668
Local Authority Grants	-	-	1,373
	<u>12,934</u>	<u>12,934</u>	<u>16,041</u>
Total grants	<u>735,131</u>	<u>735,131</u>	<u>720,813</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Catering income	23,590	-	23,590	23,312
Trips and visits	-	25,241	25,241	20,598
Other sales	9,458	5,691	15,149	12,745
	<u>33,048</u>	<u>30,932</u>	<u>63,980</u>	<u>56,655</u>

5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Short term deposits	<u>26</u>	<u>26</u>	<u>97</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure

	Non Pay Expenditure			Total 2016	Total 2015
	Staff costs £	Premises £	Other costs £	£	£
Expenditure on raising funds	-	-	52,718	52,718	30,565
Academy's educational operations					
Direct costs	488,767	-	50,146	538,913	492,790
Allocated support costs	129,960	72,595	53,488	256,043	256,183
	<u>618,727</u>	<u>72,595</u>	<u>156,352</u>	<u>847,674</u>	<u>779,538</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating lease rentals	15,742	9,185
Fees payable to auditor - audit	4,500	4,500
- other audit services	<u>2,688</u>	<u>2,098</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

7 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	538,913	492,790
Support costs - educational operations	256,043	256,183
	<u>794,956</u>	<u>748,973</u>
	Total 2016 £	Total 2015 £
Analysis of support costs - Educational operations		
Support staff costs	129,960	119,974
Depreciation	33,688	31,702
Technology costs	2,803	4,460
Premises costs	38,907	39,603
Other support costs	45,312	55,517
Governance costs	5,373	4,927
Total support costs	<u>256,043</u>	<u>256,183</u>

8 Staff

Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	478,230	434,759
Social security costs	31,567	25,329
Operating costs of defined benefit pension schemes	100,127	83,654
	<u>609,924</u>	<u>543,742</u>
Supply staff costs	8,803	20,974
	<u>618,727</u>	<u>564,716</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff (continued)

Staff numbers

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

	2016 No	2015 No
Charitable Activities		
Teachers	9	7
Administration and support	7	10
	<u>16</u>	<u>17</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	<u>1</u>	<u>-</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £150,156 (2015: £145,568).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

R J Stephenson (principal and trustee):

Remuneration: £60,000 - £65,000 (2015 - £55,000 - £60,000)

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

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015 - £Nil) were reimbursed or paid directly to 0 trustees (2015 - 0).

Other related party transactions involving the trustees are set out in note 22.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

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

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2015	1,565,192	24,619	15,865	1,605,676
Additions	41,797	4,486	6,083	52,366
At 31 August 2016	<u>1,606,989</u>	<u>29,105</u>	<u>21,948</u>	<u>1,658,042</u>
Depreciation				
At 1 September 2015	58,302	16,974	9,092	84,368
Charge for the year	24,276	5,496	3,916	33,688
At 31 August 2016	<u>82,578</u>	<u>22,470</u>	<u>13,008</u>	<u>118,056</u>
Net book value				
At 31 August 2016	<u>1,524,411</u>	<u>6,635</u>	<u>8,940</u>	<u>1,539,986</u>
At 31 August 2015	<u>1,506,890</u>	<u>7,645</u>	<u>6,773</u>	<u>1,521,308</u>

12 Debtors

	2016 £	2015 £
VAT recoverable	13,287	5,071
Other debtors	1,500	-
Prepayments	<u>8,404</u>	<u>6,923</u>
	<u>23,191</u>	<u>11,994</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	9,621	8,911
Other creditors	-	15,277
Accruals	7,078	8,451
Deferred income	13,511	18,970
Pension scheme creditor	10,132	9,376
	<u>40,342</u>	<u>60,985</u>
		2016 £

Deferred income

Deferred income at 1 September 2015	18,970
Resources deferred in the period	13,511
Amounts released from previous periods	<u>(18,970)</u>
Deferred income at 31 August 2016	<u>13,511</u>

At the balance sheet date the Academy was holding funds received in advance for Universal Infant Free School Meals funding and Pupil Premium funding.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	8,057	654,191	(661,051)	(1,197)	-
Universal Free School Meals	-	23,161	(23,161)	-	-
Other DfE/EFA Grants	-	44,845	(44,845)	-	-
Other Restricted Funds	-	30,932	(30,932)	-	-
Other Government Grants	-	12,934	(12,934)	-	-
	<u>8,057</u>	<u>766,063</u>	<u>(772,923)</u>	<u>(1,197)</u>	<u>-</u>
Restricted fixed asset funds					
DfE/EFA Capital Grant	358,528	27,247	(7,350)	-	378,425
Capital Expenditure from Unrestricted Funds	42,476	-	(904)	-	41,572
Capital Expenditure from GAG Fixed Assets from Predecessor School	45,363	-	(5,697)	25,119	64,785
	<u>1,074,941</u>	<u>-</u>	<u>(19,737)</u>	<u>-</u>	<u>1,055,204</u>
	1,521,308	27,247	(33,688)	25,119	1,539,986
Restricted pension funds					
Pension Reserve	<u>(246,000)</u>	<u>-</u>	<u>(26,000)</u>	<u>(143,000)</u>	<u>(415,000)</u>
Total restricted funds	1,283,365	793,310	(832,611)	(119,078)	1,124,986
Unrestricted funds					
Unrestricted general funds	<u>104,140</u>	<u>36,494</u>	<u>(15,063)</u>	<u>(23,922)</u>	<u>101,649</u>
Total funds	<u>1,387,505</u>	<u>829,804</u>	<u>(847,674)</u>	<u>(143,000)</u>	<u>1,226,635</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Funds (continued)

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

General Annual Grant (GAG) – This fund includes income from the EFA which is to be used for the running costs of the Academy, including education and support costs. Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG that could be carried forward at 31 August 2015.

Universal Infant Free School Meals (UIFSM) – This grant income has been received to support the Academy in delivering the legal requirement to offer free school meals, meeting the school food standards, to all pupils in year groups reception, year 1 and year 2.

Other DfE/EFA Grants – Pupil Premium and PE & Sport grant income from the EFA/DfE. The Pupil Premium grant is to provide extra education for the more disadvantaged pupils at the Academy. The PE and Sport grant is to provide additional and sustainable improvements to the quality of PE and sport the Academy offers.

Other Restricted Funds - This includes income relating to the provision of trips and visits provided by the school.

Other Government Grants – This includes grant funding received from the local authority towards the costs of providing teaching and support for pupils with special educational needs.

Pension Reserve – This fund represents the pension deficit for Local Government Pension Scheme (LGPS) as revalued in note 23.

DfE/EFA capital grants – Grants from the EFA/DfE to be spent on capital related expenditure.

Capital expenditure from GAG – This fund includes transfers from the GAG restricted fund for capital related expenditure.

Fixed assets from predecessor school – This fund relates to the transfer of fixed assets on conversion to academy status from the previous school.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,539,986	1,539,986
Current assets	101,649	40,342	-	141,991
Current liabilities	-	(40,342)	-	(40,342)
Pension scheme liability	-	(415,000)	-	(415,000)
Total net assets	<u>101,649</u>	<u>(415,000)</u>	<u>1,539,986</u>	<u>1,226,635</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 Commitments under operating leases

Operating leases

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

	2016 £	2015 £
Amounts due within one year	16,792	10,399
Amounts due between one and five years	29,646	17,052
	<u>46,438</u>	<u>27,451</u>

17 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net (expenditure)/income	(17,870)	12,200
Depreciation	33,688	31,702
Capital grants from DfE and other capital income	(27,247)	(6,724)
Interest receivable	(26)	(97)
Defined benefit pension scheme cost less contributions payable	17,000	16,000
Defined benefit pension scheme finance cost	9,000	9,000
(Increase)/decrease in debtors	(11,197)	1,150
(Decrease)/increase in creditors	(20,643)	25,534
Net cash (used in)/provided by Operating Activities	<u>(17,295)</u>	<u>88,765</u>

18 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	26	97
Purchase of tangible fixed assets	(52,366)	(21,971)
Capital funding received from sponsors and others	27,247	6,724
Net cash used in investing activities	<u>(25,093)</u>	<u>(15,150)</u>

19 Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	118,800	161,188
Total cash and cash equivalents	<u>118,800</u>	<u>161,188</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

20 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.

21 Pension and similar obligations

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

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

Contributions amounting to £10,132 (2015 - £9,376) were payable to the schemes at 31 August and are included within creditors.

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.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

21 Pension and similar obligations (continued)

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 £53,162 (2015: £43,700).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £39,000 (2015 - £34,000), of which employer's contributions totalled £30,000 (2015 - £26,000) and employees' contributions totalled £9,000 (2015 - £8,000). The agreed contribution rates for future years are 14.8 per cent for employers and 5.6 per cent for employees.

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.50
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.20	4.00

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

21 Pension and similar obligations (continued)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	649,000	664,000	679,000
Projected service cost	<u>66,000</u>	<u>67,000</u>	<u>69,000</u>
	+ 0.1%	0.0%	- 0.1%
Adjustment to pension increases and deferred revaluation	£	£	£
Present value of total obligation	677,000	664,000	652,000
Projected service cost	<u>68,000</u>	<u>67,000</u>	<u>66,000</u>
	+ 0.1%	0.0%	- 0.1%
Adjustment to rate of salary growth	£	£	£
Present value of total obligation	666,000	664,000	662,000
Projected service cost	<u>67,000</u>	<u>67,000</u>	<u>67,000</u>
	+ 1 Year	None	- 1 Year
Adjustment to mortality age rating assumption	£	£	£
Present value of total obligation	683,000	664,000	646,000
Projected service cost	<u>69,000</u>	<u>67,000</u>	<u>65,000</u>

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males retiring today	22.90	22.80
Females retiring today	26.20	26.10
Retiring in 20 years		
Males retiring in 20 years	25.20	25.10
Females retiring in 20 years	<u>28.60</u>	<u>28.40</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

21 Pension and similar obligations (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2016 £	At 31 August 2015 £
Equities	146,000	105,000
Gilts	8,000	9,000
Property	25,000	20,000
Cash	4,000	4,000
Other	<u>66,000</u>	<u>46,000</u>
Total market value of assets	249,000	184,000
Present value of scheme liabilities - funded	<u>(664,000)</u>	<u>(430,000)</u>
Deficit in the scheme	<u>(415,000)</u>	<u>(246,000)</u>

The actual return on scheme assets was £28,000 (2015 - £Nil).

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	17,000	16,000
Net interest cost	9,000	9,000
Total operating charge	<u>26,000</u>	<u>25,000</u>

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

	2016 £	2015 £
At 1 September	430,000	429,000
Current service cost	47,000	42,000
Interest cost	17,000	17,000
Employee contributions	9,000	8,000
Actuarial losses/(gains)	163,000	(9,000)
Benefits paid	<u>(2,000)</u>	<u>(57,000)</u>
At 31 August	<u>664,000</u>	<u>430,000</u>

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

	2016 £	2015 £
At 1 September	184,000	207,000
Interest income	8,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	20,000	12,000
Actuarial losses	-	(12,000)
Employer contributions	30,000	26,000
Employee contributions	9,000	8,000
Benefits paid	<u>(2,000)</u>	<u>(57,000)</u>
At 31 August	<u>249,000</u>	<u>184,000</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy 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.

During the year the academy made the following related party transactions:

Bradworthy Primary School Parent Teacher Association

(J S Purl, a trustee of Bradworthy Primary Academy, is Vice-Chair of the Bradworthy Primary School Parent Teacher Association)

During the year Bradworthy Primary Academy received donations totalling £1,304 (2015 - £6,806) from the Parent Teacher Association.. At the balance sheet date the amount due to Bradworthy Primary School Parent Teacher Association was £Nil (2015 - £Nil).

23 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Bradworthy Primary Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Bradworthy Primary 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 trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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

Explanation of transition to 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.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. The charity did not present financial statements for previous periods.

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:

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Transition to FRS 102 (continued)

Reconciliation of total funds

	1 September 2014	31 August 2015
Note	£	£
Total funds under previous UK GAAP	<u>1,374,305</u>	<u>1,387,505</u>
Total funds reported under FRS 102	<u><u>1,374,305</u></u>	<u><u>1,387,505</u></u>

Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		16,200
Change in recognition of LGPS interest cost		<u>(4,000)</u>
Net movement in funds reported under FRS 102		<u><u>12,200</u></u>

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £4,000 and increase the credit in other recognised gains and losses in the SOFA by an equivalent amount.