

Registration number: 07530497

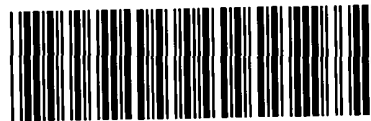
Bradworthy Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

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COMPANIES HOUSE

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

Bradworthy Primary Academy

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 8
Governance Statement	9 to 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15 to 17
Independent Reporting Accountant's Report on Regularity	18 to 19
Statement of Financial Activities incorporating Income and Expenditure Account	20 to 21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 to 43

Bradworthy Primary Academy

Reference and Administrative Details

Trustees (Directors) J S Purl (resigned 8 November 2016)
B P W Radford, (Chair of Trustees)
R J Stephenson
S Huxtable (appointed 8 November 2016)

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
Exmouth
Devon
EX8 1BD

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 189 in the May 2017 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 £10,000,000

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 2017 (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 the last inspection.

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).

The Governors 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.

The governors have been fully involved in supporting the various interview processes and arrangements needed to replace 2 teachers and 2 teaching assistants, being mindful to ensure continued stability.

During the financial year to 31 August 2017 the Trustee's held three full meetings and an additional extraordinary meeting with the Accountant in January 2017.

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.

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.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2017 (continued)

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 2017 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.

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 do it's 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 Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2017 (continued)

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 hall, which was finished in 2015, continues to be in constant use. Daily with school lunches and one day a week devoted entirely to gymnastics. The school gymnastic team have qualified for the National Finals in Stoke-on-Trent for the third year running. Indeed, many students who have left the primary school continue to be coached during a club held after the primary school sessions.

Construction commenced on a purpose built climbing wall, to a finished height of 8 metres, and will be completed by the autumn of 2017. This will give many children the opportunity to climb at competition level. Again, many past pupils continue to climb during a club held after the primary sessions.

The hall is also used for many other sporting activities, drama, music and assemblies. We feel we have accommodation of a good standard and puts us in an excellent place to develop our school further. Plans have been approved to build a purpose built classroom that will link up to the pre-school but, due to no funding forthcoming from the EFSA, we are proceeding with extra caution. This proposed new classroom will match in with the new pre-school building, which was completed, both on time and within budget. The pre-school is an essential local service and the main feed of Early Years children to our school.

Another neighbouring school has been closed by the LA and we had to offer accommodation to those children affected. This put a strain on the existing classes and a further classroom, which we could have kitted out for science and art would have been of great benefit. Again, this closure of our neighbouring school did not generate any extra funding from the LA.

Projections suggest that our roll will continue to increase leading to overcrowding which will inevitably preclude some activities and prove a bar to continued development. Our toilet facilities are inadequate and there is a lack of available space for staff to work in and meet with parents and visitors.

Our very successful building improvements to date do not mark an end to development but are viewed as stepping stones to continuous and pragmatic planning to meet the challenges we are experiencing now and which will accelerate into the future. Whilst we will strive to cover this expenditure within our budget constraints we would welcome additional funding from other sources.

One of our Senior Teachers was given the responsibility of Deputy Head in January 2017. This filled a much needed position to support the Head teacher, who insists on being hands on with the children and teaching a minimum of 3 days a week.

Our Academy's continued success needs to be placed firmly in the context of the increasingly difficult conditions under which we are forced to operate. Hugely increased operating costs have forced us to put our facilities development plans on hold and many of our children are forced to endure substandard accommodation, where there is little space in which to operate initiatives such as vital intervention strategies.

Were it not for the fact that our Headteacher has Class responsibility for Year Six our budget and current staffing levels would be untenable, and this doesn't even start to consider the amount of financial support we give to curriculum enrichment and extension.

This is the key aspect of our academy's ethos and aims and something which, whilst hard to measure, we are extremely proud of. It is this that separates us from many other schools and in our opinion it is our greatest achievement because of the impact this has on the development of our children as properly rounded individuals, who are confident, motivated and independent learners.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2017 (continued)

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 2017 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total restricted and unrestricted expenditure (excluding restricted fixed assets funds and pensions reserves) of £826,799 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess for the year ended 31 August 2017 was £21,782.

Restricted Funds

In the year, the Trust has received General Annual Grant (GAG) income totalling £695,411. The trust spent £693,975 of this on GAG activities. Of this, 90% was spent on salary costs.

The trust received £6,081 of Capital Grants in the year from the Devolved Formula Capital grant of which £1,140 was spent on general improvements to the school.

The Trust carries forward £1,436 into the next accounting period (excluding the restricted fixed asset fund and pension reserve).

Unrestricted Funds

The trust generated £36,684 of its own income. £20,803 of this related to Catering. The trust received £5,353 of voluntary donations in the year not including donations for capital items.

The Trust carries forward a balance of £121,995 on the unrestricted fund to the next accounting year.

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 £121,995 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.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2017 (continued)

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, no Head teacher's office and no available 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.

Effective coordination of both Key Stages and curriculum areas is once again under review and development in the light of new staff appointments and the development of our teaching and learning as described above

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.

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.

Bradworthy Primary Academy

Trustees' Report for the Year Ended 31 August 2017 (continued)

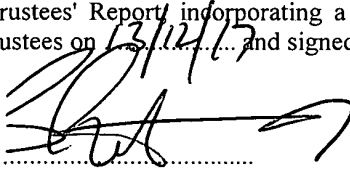
Auditor

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, was approved by order of the members of the board of trustees on 13/14/17 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 4 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
S Huxtable	4	4
B P W Radford	4	4
R J Stephenson	4	4

Governance reviews

A review of the governance is performed on an annual basis

The Board of Trustees consider that there is currently a good balance of skills on the Board taking into account the size of the Academy. One trustee resigned in this period and one was appointed.

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:

Improvement of Educational Results

We have maintained the highest of academic standards and this is something which has been consistently the case for twenty years now. The results of the SATs that our Year Six children sat in summer 2017 were above both national and Devon averages again this year and this represents excellent progress across our school, from a very low base.

Our assessment data shows all groups making good progress. Data published in 2017, which was based on several years of SAT results, placed our academy amongst the top 250 schools in Britain. We were one of only four schools in Devon on the list and this means that in terms of academic results we are in the top 1% of schools nationally.

Bradworthy Primary Academy

Governance Statement (continued)

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 its 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.

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 produces a good annual income 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 money 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.

Bradworthy Primary Academy

Governance Statement (continued)

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 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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.

The board of trustees has decided to appoint Thompson Jenner LLP as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

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

On a timely 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:

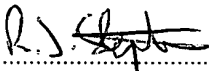
- the work of the responsible officer and internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the finance staff within the Academy Trust who have responsibility for the development and maintenance of the internal control 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 13.12.17 and signed on its behalf by:



.....
B P W Radford
Trustee



.....
R J Stephenson
Accounting officer
Trustee

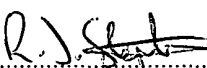
Bradworthy Primary Academy

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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


.....

R J Stephenson
Accounting officer

Date: 13.12.17.....

Bradworthy Primary Academy

Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Bradworthy Primary Academy Academy Trust and are also 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 13/12/17 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

Opinion

We have audited the financial statements of Bradworthy Primary Academy (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. 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 Academy'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 Academy'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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Bradworthy Primary Academy

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 14], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

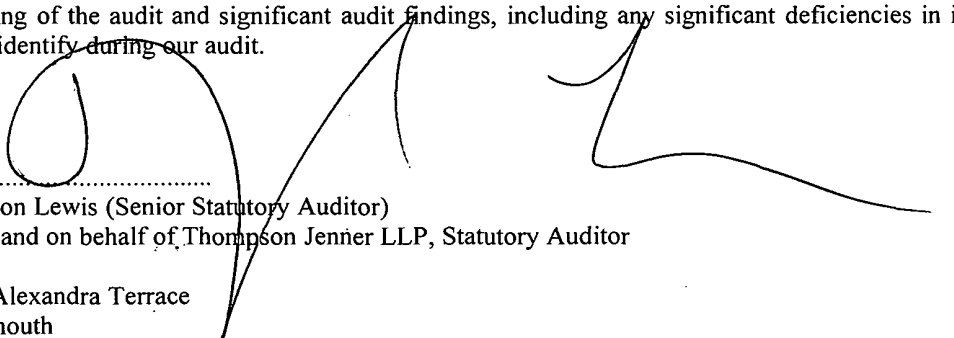
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Bradworthy Primary Academy

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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: 13/12/17

Bradworthy Primary Academy

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

In accordance with the terms of our engagement letter dated 9 December 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bradworthy Primary Academy during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bradworthy Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Bradworthy Primary Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bradworthy Primary Academy and the ESFA, 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 1 March 2011 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

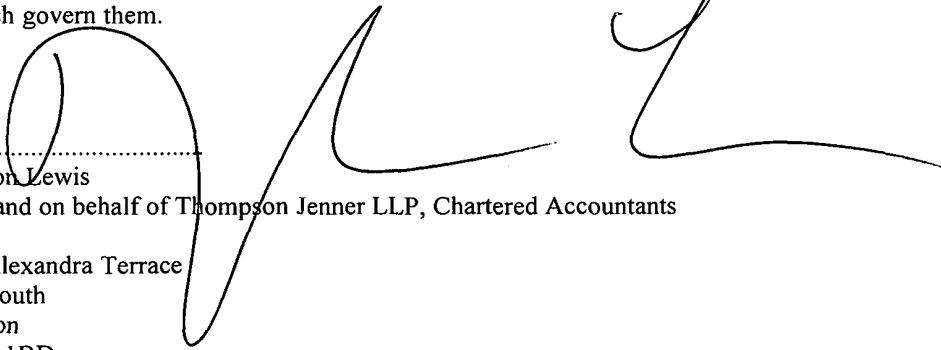
- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant assumptions
- Evaluation of incoming resources and resources expended being in line with the charitable 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 and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 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: 13/12/17

Bradworthy Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	5,353	-	6,081	11,434
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	20,803	779,780	-	800,583
Other trading activities	4	10,519	32,117	-	42,636
Investments	5	9	-	-	9
Total		<u>36,684</u>	<u>811,897</u>	<u>6,081</u>	<u>854,662</u>
Expenditure on:					
Raising funds	6	16,329	37,860	-	54,189
<i>Charitable activities:</i>					
Academy trust educational operations	7	9	818,601	30,404	849,014
Total		<u>16,338</u>	<u>856,461</u>	<u>30,404</u>	<u>903,203</u>
Net income/(expenditure)		20,346	(44,564)	(24,323)	(48,541)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	77,000	-	77,000
Net movement in funds/(deficit)		20,346	32,436	(24,323)	28,459
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		<u>101,649</u>	<u>(415,000)</u>	<u>1,539,986</u>	<u>1,226,635</u>
Total funds/(deficit) carried forward at 31 August 2017		<u>121,995</u>	<u>(382,564)</u>	<u>1,515,663</u>	<u>1,255,094</u>

Bradworthy Primary Academy

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

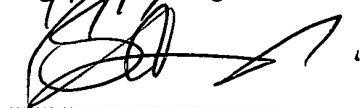
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	3,420	-	27,247	30,667
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	23,590	735,131	-	758,721
Other trading activities	4	9,458	30,932	-	40,390
Investments	5	26	-	-	26
Total		<u>36,494</u>	<u>766,063</u>	<u>27,247</u>	<u>829,804</u>
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		<u>15,063</u>	<u>798,923</u>	<u>33,688</u>	<u>847,674</u>
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		<u>104,140</u>	<u>(237,943)</u>	<u>1,521,308</u>	<u>1,387,505</u>
Total funds/(deficit) carried forward at 31 August 2016		<u>101,649</u>	<u>(415,000)</u>	<u>1,539,986</u>	<u>1,226,635</u>

Bradworthy Primary Academy

(Registration number: 07530497)
Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	1,510,722	1,539,986
Current assets			
Debtors	12	16,959	23,191
Cash at bank and in hand		<u>163,098</u>	<u>118,800</u>
		180,057	141,991
Creditors: Amounts falling due within one year	13	<u>(51,685)</u>	<u>(40,342)</u>
Net current assets		<u>128,372</u>	<u>101,649</u>
Total assets less current liabilities		<u>1,639,094</u>	<u>1,641,635</u>
Net assets excluding pension liability		1,639,094	1,641,635
Pension scheme liability	21	<u>(384,000)</u>	<u>(415,000)</u>
Net assets including pension liability		<u>1,255,094</u>	<u>1,226,635</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,436	-
Restricted fixed asset fund		1,515,663	1,539,986
Restricted pension fund		<u>(384,000)</u>	<u>(415,000)</u>
		1,133,099	1,124,986
Unrestricted funds			
Unrestricted general fund		<u>121,995</u>	<u>101,649</u>
Total funds		<u>1,255,094</u>	<u>1,226,635</u>

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue on 13/12/17 and signed on their behalf by:



B P W Radford
Trustee

Bradworthy Primary Academy

Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	39,348	(17,295)
Cash flows from investing activities	18	<u>4,950</u>	<u>(25,093)</u>
Change in cash and cash equivalents in the year		44,298	(42,388)
Cash and cash equivalents at 1 September		<u>118,800</u>	<u>161,188</u>
Cash and cash equivalents at 31 August	19	<u><u>163,098</u></u>	<u><u>118,800</u></u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017

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 2016 to 2017 issued by ESFA, 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (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.

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

Donated fixed assets

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.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Expenditure

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

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset 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

Long leasehold land & buildings
Fixtures, fittings and equipment
Computer equipment

Depreciation method and rate

2% straight line basis
20% straight line basis
20% straight line basis

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

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.

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.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

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 and Skills 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 and Skills Funding Agency/Department for Education.

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Capital grants	-	6,081	6,081	27,247
Other donations	5,353	-	5,353	3,420
	<u>5,353</u>	<u>6,081</u>	<u>11,434</u>	<u>30,667</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants				
General Annual Grant	-	695,411	695,411	654,191
Universal Infant Free School Meals	-	27,750	27,750	23,161
Other DfE/EFA Grants	-	47,348	47,348	44,845
	-	770,509	770,509	722,197
Other government grants				
Special Educational Grants	-	9,271	9,271	12,934
Non-government grants and other income				
Catering Income	20,803	-	20,803	23,590
Total grants	<u>20,803</u>	<u>779,780</u>	<u>800,583</u>	<u>758,721</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	3,000	-	3,000	2,500
Trips and visits	-	23,245	23,245	25,241
Other sales	7,519	8,872	16,391	12,649
	<u>10,519</u>	<u>32,117</u>	<u>42,636</u>	<u>40,390</u>

5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Short term deposits	<u>9</u>	<u>9</u>	<u>26</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2017	2016
	£	£	£	£	£
Expenditure on raising funds	-	-	54,189	54,189	52,718
Academy's educational operations					
Direct costs	516,144	-	53,365	569,509	538,913
Allocated support costs	154,711	72,946	51,848	279,505	256,043
	<u>670,855</u>	<u>72,946</u>	<u>159,402</u>	<u>903,203</u>	<u>847,674</u>

Net income/(expenditure) for the year includes:

	2017	2016
	£	£
Operating lease rentals	16,792	15,742
Depreciation	30,404	33,688
Fees payable to auditor - audit	4,500	4,500
- other audit services	<u>3,050</u>	<u>2,688</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

7 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	569,509	538,913
Support costs - educational operations	<u>279,505</u>	<u>256,043</u>
	<u>849,014</u>	<u>794,956</u>
	Total 2017 £	Total 2016 £
Analysis of support costs - Educational operations		
Support staff costs	154,711	129,960
Depreciation	30,404	33,688
Technology costs	3,635	2,803
Premises costs	42,542	38,907
Other support costs	43,328	45,312
Governance costs	<u>4,885</u>	<u>5,373</u>
Total support costs	<u>279,505</u>	<u>256,043</u>

8 Staff

Staff costs

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	493,574	478,230
Social security costs	39,202	31,567
Operating costs of defined benefit pension schemes	<u>121,394</u>	<u>100,127</u>
	654,170	609,924
Supply staff costs	<u>16,685</u>	<u>8,803</u>
	<u>670,855</u>	<u>618,727</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff (continued)

Staff numbers

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

	2017 No	2016 No
Charitable Activities		
Teachers	11	11
Administration and support	22	20
Management	1	1
	<u>34</u>	<u>32</u>

Higher paid staff

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

	2017 No	2016 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £156,335 (2016: £150,156).

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 (2016 - £60,000 - £65,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £Nil (2016 - £Nil) were reimbursed or paid directly to 0 trustees (2016 - 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 2017 (continued)

10 Trustees' and officers' insurance

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 2016	1,606,989	29,105	21,948	1,658,042
Additions	-	1,140	-	1,140
At 31 August 2017	<u>1,606,989</u>	<u>30,245</u>	<u>21,948</u>	<u>1,659,182</u>
Depreciation				
At 1 September 2016	82,578	22,470	13,008	118,056
Charge for the year	<u>25,112</u>	<u>1,961</u>	<u>3,331</u>	<u>30,404</u>
At 31 August 2017	<u>107,690</u>	<u>24,431</u>	<u>16,339</u>	<u>148,460</u>
Net book value				
At 31 August 2017	<u>1,499,299</u>	<u>5,814</u>	<u>5,609</u>	<u>1,510,722</u>
At 31 August 2016	<u>1,524,411</u>	<u>6,635</u>	<u>8,940</u>	<u>1,539,986</u>

12 Debtors

	2017 £	2016 £
VAT recoverable	12,887	13,287
Other debtors	419	1,500
Prepayments	<u>3,653</u>	<u>8,404</u>
	<u>16,959</u>	<u>23,191</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	11,038	9,621
Accruals	14,030	7,078
Deferred income	16,188	13,511
Pension scheme creditor	10,429	10,132
	<u>51,685</u>	<u>40,342</u>
		2017 £

Deferred income

Deferred income at 1 September 2016	13,511
Resources deferred in the period	16,188
Amounts released from previous periods	<u>(13,511)</u>
Deferred income at 31 August 2017	<u>16,188</u>

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

14 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	-	695,411	(693,975)	-	1,436
Universal Free School Meals	-	27,750	(27,750)	-	-
Other DfE/EFA Grants	-	47,348	(47,348)	-	-
Other Restricted Funds	-	32,117	(32,117)	-	-
Other Government Grants	-	9,271	(9,271)	-	-
	<u>-</u>	<u>811,897</u>	<u>(810,461)</u>	<u>-</u>	<u>1,436</u>
Restricted fixed asset funds					
DfE/EFA Capital Grant	378,425	6,081	(7,701)	-	376,805
Capital Expenditure from Unrestricted Funds	41,572	-	(904)	-	40,668
Capital Expenditure from GAG Fixed Assets from Predecessor School	64,785	-	(6,499)	-	58,286
	<u>1,055,204</u>	<u>-</u>	<u>(15,300)</u>	<u>-</u>	<u>1,039,904</u>
	1,539,986	6,081	(30,404)	-	1,515,663
Restricted pension funds					
Pension Reserve	<u>(415,000)</u>	<u>-</u>	<u>(46,000)</u>	<u>77,000</u>	<u>(384,000)</u>
Total restricted funds	1,124,986	817,978	(886,865)	77,000	1,133,099
Unrestricted funds					
Unrestricted general funds	<u>101,649</u>	<u>36,684</u>	<u>(16,338)</u>	<u>-</u>	<u>121,995</u>
Total funds	<u><u>1,226,635</u></u>	<u><u>854,662</u></u>	<u><u>(903,203)</u></u>	<u><u>77,000</u></u>	<u><u>1,255,094</u></u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (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.

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/ESFA Grants – Pupil Premium and PE & Sport grant income from the ESFA/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 21.

DfE/ESFA capital grants – Grants from the ESFA/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	-	-	1,510,722	1,510,722
Current assets	121,995	53,121	4,941	180,057
Current liabilities	-	(51,685)	-	(51,685)
Pension scheme liability	-	(384,000)	-	(384,000)
Total net assets	<u>121,995</u>	<u>(382,564)</u>	<u>1,515,663</u>	<u>1,255,094</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

16 Commitments under operating leases

Operating leases

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

	2017 £	2016 £
Amounts due within one year	15,306	16,792
Amounts due between one and five years	14,340	29,646
	<u>29,646</u>	<u>46,438</u>

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

	2017 £	2016 £
Net expenditure	(48,541)	(17,870)
Depreciation	30,404	33,688
Capital grants from DfE and other capital income	(6,081)	(27,247)
Interest receivable	(9)	(26)
Defined benefit pension scheme cost less contributions payable	37,000	17,000
Defined benefit pension scheme finance cost	9,000	9,000
Decrease/(increase) in debtors	6,232	(11,197)
Increase/(decrease) in creditors	11,343	(20,643)
Net cash provided by/(used in) Operating Activities	<u>39,348</u>	<u>(17,295)</u>

18 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	9	26
Purchase of tangible fixed assets	(1,140)	(52,366)
Capital grants from DfE/EFA	6,081	27,247
Net cash provided by/(used in) investing activities	<u>4,950</u>	<u>(25,093)</u>

19 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	<u>163,098</u>	<u>118,800</u>
Total cash and cash equivalents	<u>163,098</u>	<u>118,800</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (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 Devon County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £10,429 (2016 - £10,132) 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

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 2017 (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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £54,631 (2016: £53,162).

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 2017 was £42,000 (2016 - £39,000), of which employer's contributions totalled £32,000 (2016 - £30,000) and employees' contributions totalled £10,000 (2016 - £9,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.7 per cent for employees.

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

21 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.30
Discount rate for scheme liabilities	2.60	2.20
Inflation assumptions (CPI)	2.70	2.70
RPI increases	<u>3.60</u>	<u>3.60</u>

Sensitivity analysis

	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate +0.1%	733	649
Discount rate -0.1%	764	679
Mortality assumption – 1 year increase	773	683
Mortality assumption – 1 year decrease	724	646
CPI rate +0.1%	761	677
CPI rate -0.1%	<u>735</u>	<u>652</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 2017	At 31 August 2016
Retiring today		
Males retiring today	23.40	22.90
Females retiring today	25.50	26.20
Retiring in 20 years		
Males retiring in 20 years	25.70	25.20
Females retiring in 20 years	<u>27.90</u>	<u>28.60</u>

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

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

21 Pension and similar obligations (continued)

	At 31 August 2017 £	At 31 August 2016 £
Equities	216,000	146,000
Gilts	10,000	8,000
Property	32,000	25,000
Cash and other liquid assets	9,000	4,000
Other	97,000	66,000
Total market value of assets	<u>364,000</u>	<u>249,000</u>
Surplus in the scheme	<u>364,000</u>	<u>249,000</u>

The actual return on scheme assets was £31,000 (2016 - £28,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	37,000	17,000
Net interest cost	-	9,000
Net interest cost	<u>9,000</u>	<u>9,000</u>
Total amount recognized in the SOFA	<u>46,000</u>	<u>35,000</u>

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

	2017 £	2016 £
At start of period	664,000	430,000
Current service cost	69,000	47,000
Interest cost	15,000	17,000
Employee contributions	10,000	9,000
Actuarial (gain)/loss	(8,000)	163,000
Benefits paid	<u>(2,000)</u>	<u>(2,000)</u>
At 31 August	<u>748,000</u>	<u>664,000</u>

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

	2017 £	2016 £
At start of period	249,000	184,000
Interest income	6,000	8,000
Actuarial gain/(loss)	69,000	20,000
Employer contributions	32,000	30,000
Employee contributions	10,000	9,000
Benefits paid	<u>(2,000)</u>	<u>(2,000)</u>
At 31 August	<u>364,000</u>	<u>249,000</u>

Bradworthy Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (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.