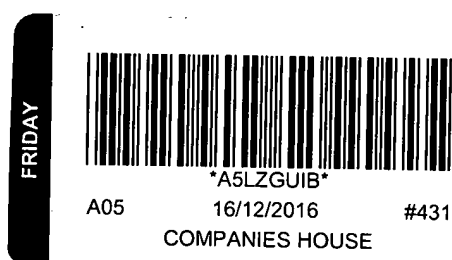


ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees

A Boyle, Chair⁴
J Britton⁴
I Dickie³
S Dyer²
S Fenna²
C Galliers, Headteacher^{1,3,4}
C Haines²
J Hollingbery¹
A Killick³
B Lucas
J Morgan¹
S Rupprecht^{1,3,4}
A Short²
L Sheffield (resigned 17 September 2015)²
M Sinclair
J Sloper
G Tomlinson (resigned 2 October 2015)¹
M Wilson (resigned 15 October 2015)³
I Venn^{1,4}
B Sillince (appointed 3 December 2015)

- ¹ Finance/Audit Committee
² Curriculum and Standards Committee
³ Premises, Health and Safety Committee
⁴ Staffing Committee

Company registered number 07626956

Company name Elmlea Junior School

Principal and Registered office The Dell
Westbury-on-Trym
Bristol
BS9 3UF

Company secretary Harrison Clark Rickerbys Limited

Accounting officer C Galliers

Senior management team C Galliers, Headteacher
S Dyer, Deputy Head
J Sloper, Assistant Head
J Hoskins, Special Educational Needs and Disability Coordinator
S Rupprecht, School Business Manager

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

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Advisers (continued)

Bankers

Lloyds Bank PLC
15 High Street
Westbury on Trym
Bristol
BS9 3DA

Solicitors

Harrison Clark Rickerbys
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 7 to 11 in Bristol. It has a pupil capacity of 360 and had a roll of 362 in the school census on 6 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Elmlea Junior School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Elmlea Junior School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

The Academy is a member of Department for Education's Risk Protection Arrangement (RPA) - a voluntary arrangement for academies as an alternative to commercial insurance. This provides unlimited cover.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1st July 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, to ensure a staggered re-election or replacement process.

The Academy's Board of Trustees usually has 17 members comprising the Headteacher, Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees), Parent Trustees (minimum of two) and up to eight other Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Trustees' induction policy is within the Trustees' Handbook, which is updated annually.

A succession plan has been developed to facilitate a steady turnover and effective handover, whereby new trustees are recruited early and have an opportunity to observe meetings before their term of office begins.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The induction and training provided for new Trustees will depend upon their existing experience. New trustees are introduced to the school through an informal meeting and tour with the Headteacher and there is a chance to meet with staff and pupils. A mentoring system is in place and comprehensive training is available through the Governor Development Service. The Academy arranges bespoke training days to keep Trustees updated on relevant developments impacting on their roles and responsibilities and/or to consider school strategy.

Organisational Structure

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

There are four committees as follows;

- Finance/Audit Committee - meets every seasonal term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, budget setting, risk management, value for money, compliance and reporting in line with regulatory requirements.
- Curriculum and Standards Committee - meets every term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examination and all pastoral issues.
- Premises, Health and Safety Committee – meets every seasonal term and acts as the safety committee for the rest of the school. The welfare of children and staff is uppermost in its priorities and so all matters relating to the school building, premises and health and safety are monitored, evaluated and reviewed by this committee.
- Staffing Committee – meets four times a year to ensure that the responsibilities of the governing body in relation to all staff matters are fulfilled.

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

The Trustees are responsible for strategic decision making about the direction of the Academy Trust, capital expenditure and staff appointments. Trustees adopt an annual plan and budget, approve the statutory accounts and monitor the Academy Trust's performance through budgets and other data.

The Academy Trust has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees and Board of Trustees have delegated responsibility for day to day management of the Academy Trust to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteacher, Special Educational Needs Coordinator (SENCo), Disabilities Coordinator (SENDCo) and the School Business Manager (SBM). The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year in

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

respect of their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually in accordance with the Academy Trust's Pay and Performance policy.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Elmlea Junior School.

Significant connected parties are:

- Elmlea Infant School formally paired with the Academy for school admissions;
- The Elmlea Junior School Parent Teacher Association (PTA);

The Academy Trust has strong collaborative links with local school networks including the NW24 and School Business Manager Partnership.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The vision for the Academy Trust is focussed upon the personal development and well-being of the school community as the solid foundation on which learning becomes more effective. The school's motto is 'Caring to learn, learning to care.'

The aims of the Academy Trust during the year ended 31 August 2016 are summarised below:

- Continue to raise the standard of educational attainment and achievement of all pupils;
- Ensure that every child makes at least "Expected" progress and maximise the number of pupils achieving "Age Related Expectations" in Reading, Writing and Maths;
- As a school with high attaining children on entry from KS1, focus upon maximising the number of pupils achieving higher standardised scores in Reading and Maths;
- Support more capable pupils to achieve "Greater Depth" (i.e. above expected standard) in Writing;
- Continue to provide, review and develop a broad and balanced modern curriculum which anticipates and matches the needs for future society;
- Provide a wide range of extra curricular activities which complements the core curriculum;
- Develop pupils as effective independent and self-motivated learners;
- Develop the Academy site so that it enables students to achieve their full potential;
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- Comply with all appropriate statutory and curriculum requirements;
- Maintain close links with the local community;
- Continue to monitor, review and evaluate effectiveness of organisational structure and systems;
- Provide value for money for the funds expended;
- Develop the Academy's capacity to manage change; and,
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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

Objectives, Strategies and Activities

Strategic priorities for the year are outlined in the School Development Plan which is available from the School Office. Key areas for development have included:

Collaboration/ School-to-School support

- Assess opportunities for development;
- Work together with other schools through local partnerships to share best practice and achieve value for money; and,
- Develop and deploy system leaders to formally support other schools with school improvement initiatives. This in turn, will strengthen the Academy's capacity for continuous improvement.

Learning Environment

- Establish the new library, to support and value reading and literacy work; and,
- Ongoing classroom refurbishment programme, including roll out of state-of-the-art classroom technology to support high quality teaching and learning.

Curriculum

- Review modifications to the school's curriculum in light of changes to the National Curriculum and expectations, to ensure that the curriculum best prepares children for secondary school.

Assessment

- To track effectively pupils' progress and analysis of pupil groups, to maintain high standards of progress and attainment. Evaluate effectiveness of newly introduced tracking system and embed into school practice. Ensure it provides useful and accurate assessment of reading, writing and maths across the school.

Public Benefit

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

The Academy Trust aims to advance for the public benefit, education in the surrounding area and so is an active member of local school networks, working collaboratively to share best practice across a broad range of teaching and learning as well as and school business themes.

The Academy Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the local community.

STRATEGIC REPORT

Performance Measures

The Academy Trust is in its fifth year of operation, has exceeded the forecast number of pupils and operates a waiting list.

The Academy Trust is highly successful inclusive school at the heart of the local community providing an exceptional education for all.

Notable achievements include:

- 2 consecutive Outstanding judgements from Ofsted (2015 and 2008);
- Recognition from the Regional Schools Commissioner, as one of the region's highest performing schools in relation to 2016 SATs results;
- Recognition from Department for Education in relation to the progress of disadvantaged pupils;
- Consistently high levels of attendance, always within the top 5 in Bristol; and,

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

- Gold Standard Award from Youth Sport Trust. Included in an Ofsted Best Practice in Primary Sport Report and featured as an exemplar school in the County Sport Partnership Network's national document "Understanding the impact of Primary PE and Sport Premium".

OFSTED

The Academy Trust was inspected by OFSTED in March 2015 and was judged Outstanding in all areas: Leadership and Management, Behaviour and Safety of Pupils, Quality of Teaching, Achievement of Pupils and Overall Effectiveness.

The report summary states: "Teaching is outstanding. Staff are ambitious for their pupils and fervent in their aim to get the best from each one, academically and personally... All pupils, at whatever level of ability or need, are extremely well cared for and carefully guided throughout the school."

Site and Buildings

During the year the Academy Trust opened its new purpose built library and computer room. £5,000 has been invested in new books and there are now over 6,500 books available from the library with 1,000 books per month being read and enjoyed by its pupils. This project is proving to be a huge success, inspiring a life long love of reading.

The Academy Trust has continued with its ongoing classroom refurbishment programme, updating classrooms in the oldest part of the school building and installing state-of-the-art integrated, interactive screens to support high quality teaching and learning.

The newly added facilities and renewal of older areas provides an excellent learning environment.

School-to-School Support and Building Capacity

The Academy Trust has established close links with local schools and academies through collaboration and school-to-school support, with the primary aim of driving up standards.

During the year the Academy Trust has worked with a number of schools under a variety of arrangements, the most significant of which has been a school-to-school support contract.

The Local Authority commissioned the Academy Trust's Headteacher to support a Bristol school in "Special Measures." As a Local Leader in Education (LLE), The Headteacher worked in the role of an Advisory Head at the school. The Ofsted re-inspection report at the end of the year acknowledges the impact of the high quality of support given

The Academy Trust has also worked with the local Teaching School. During the year, one of the teachers has become a Specialist Leader in Education (SLE) in maths and is supporting local schools in this core curriculum subject.

Key Financial Performance Indicators

The school's funding is based on pupil numbers and so this is an important measure and central to the school's capacity to deliver its development plans. Final pupil numbers for 2015-2016 were 355. This has risen to 362 in September 2016. The school is oversubscribed in its entry Year 3 and has a waiting list.

Total expenditure balanced against the academy's General Annual Grant (GAG) funding is a good indicator of the Academy Trust's financial health. During the year ended 31 August 2016, the Academy Trust received recurring income (being unrestricted and restricted income excluding fixed assets) of £1,519,380 and incurred recurring expenditure (on the same basis) of £1,395,128. The excess of income over expenditure for the year was £124,252.

Staffing costs represent 84% of recurring GAG income, compared with 83% in 2015. These figures are consistent with a healthy and sustainable financial performance.

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

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, total expenditure of £1,395,128 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,519,380. The excess of income over expenditure for the year (excluding restricted fixed asset funds, transfers and actuarial gains and losses) was £124,252.

At 31 August 2016 the net book value of fixed assets was £3,128,526 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements. This has been underwritten by the government from 18 July 2013.

The Financial Terms of Reference Policy which lays out the framework for financial management, including financial responsibilities and delegated authority levels is reviewed at least annually. This incorporates the Academy's guiding principles in relation to Investments, Reserves and Depreciation.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees believe that they require free reserves in the region of £350,000 to cover ongoing working capital and the uncertainty over future funding. At the year end the free reserves were £477,548 and the balance of the free reserves will be used towards the school's plans for modernising their 1950's building and for further investment in IT.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Investment Policy

Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and School Business Manager within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. This is managed through close monitoring and updating of the Academy's Risk Register. This Risk Management process is reinforced by a formal annual review.

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial – The Academy is reliant on continued government funding through the EFA. In the last year 92% of the Academy's incoming resources were ultimately government funded. Impending changes to the government's funding strategy for schools nationally, brings a significant degree of uncertainty around future funding levels.

The Trustees examine financial health regularly, by means of update reports at all Board and Finance Committee meetings. The Trustees also review the financial key performance indicators (KPIs), the level of reserves and cash flow forecasts to preserve the quality of provision and long-term sustainability, through turbulent times.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant and increasing potential liability. However, the Trustees consider that the Academy is able to meet its known contribution commitments for the foreseeable future and so the risk from this liability is minimised.

Reputational – The ongoing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To guard against any decline in performance, the Trustees ensure that pupils' academic progress and attainment are closely monitored and reviewed, and that appropriate high-quality provision is in place.

Safeguarding and Child Protection – The Trustees continue to ensure that the highest standards are maintained in all aspects of Safeguarding. Clear policies and procedures are in place and appropriate regular training is provided, so there is a high level of awareness throughout the school community.

Further risks that are managed through the risk register include:

- Failures in governance and/or management
- Fraud and mismanagement of funds
- Staffing in particular the recruitment and retention of high quality staff and clear succession planning

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community. Formal collaboration opportunities are sought to promote sharing of best practice. The school is a longstanding member of the local School Business Manager partnership and a founding member of the newly formed Teaching and Learning partnership.

The Academy Trust also works with the local Teaching School and it is planned that at least one member of staff will be appointed as a Senior Leader of Education (SLE).

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The Academy Trust will be working to establish the new library to make sure it is used to optimum effect. Its aim is to engender in pupils a lifelong love of reading and appreciation of books. The school is investing in library software and refreshing its stocks of books to support this.

Full details of our plans are given in the Academy Trust's School Development Plan, which is available from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 11/12/16 and signed on the board's behalf by:



A Boyle
Chair of Trustees

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
A Boyle, Chair	6	6
J Britton	4	6
I Dickie	6	6
S Dyer	6	6
S Fenna	2	6
C Galliers, Headteacher	6	6
C Haines	4	6
J Hollingbery	4	6
A Killick	5	6
B Lucas	2	6
J Morgan	5	6
S Rupprecht	6	6
A Short	5	6
B Sillince	2	4
L Sheffield	0	0
M Sinclair	5	6
J Sloper	2	6
G Tomlinson	0	0
I Venn	6	6
M Wilson	1	1

There have been changes in the membership of the Governing Body as individual's tenures (usually four years) have come up, but there has been no change in the composition of the Governing Body.

Governance Review

Governance effectiveness is reviewed annually through a self-evaluation process. During the last year, for example, it was identified that there were further opportunities for governance collaboration, in particular with the Infants' school and others in the NW24 partnership. Effective governance collaboration is taking place and strengthening the already strong collaborative links between local schools.

Individual skills audits and a review of committee membership is undertaken annually, to ensure there is an appropriate distribution of skills suitably deployed across the Governing Body.

The effectiveness of governance is also considered by the School Improvement Partner. In his latest report summary he commented "Governors are well skilled and utilised effectively to support and challenge school leaders. The Governing Body is successfully developing new governors to be effective critical friends. Governors are closely involved in the school community and regularly visit the School to monitor aspects of provision and celebrate pupil achievement."

GOVERNANCE STATEMENT (continued)

His summary of leadership and management stated that "...Governors have excellent capacity to plan strategically for improvement and are able to evidence the impact of their work."

Governors met with senior leaders at the beginning of the academic year to review the School Development Plan. This has enabled them to ensure the Chair, Vice Chair and Chairs of Committees understand the strategic priorities and the governors' roles in monitoring them through the meetings of the Governing Body and committees.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Governing Body, giving detailed consideration to the Academy Trust's finance and resources enabling the Governing Body to carry out its responsibility of ensuring sound management in these areas.

Responsibilities of the committee include financial planning, monitoring and probity and to make appropriate recommendations on such matters to the governing body. Major issues are referred to the Full Governing Body for ratification.

Membership

The Committee will be at least three governors. The Headteacher is the Accounting Officer and is an automatic member. The School Business Manager is the Principal Finance Officer and attends meetings as an advisor. Additional non-voting members may be co-opted as considered necessary. Associate members have the right to attend any meeting in a non-voting capacity.

Quorum

The quorum for each meeting is three, of which either the Headteacher (Accounting Officer) or School Business Manager (Principal Finance Officer) must be one.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Galliers, Headteacher	4	4
J Hollingbery	3	4
J Morgan	3	4
S Rupprecht	4	4
I Venn	4	4

REVIEW OF VALUE FOR MONEY

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

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

Developing Capacity and Delivering School-to School Support:

The Academy Trust has developed staff capacity to deliver high quality school to school support and has recently been awarded National Support School status. The Headteacher is a National Leader of Education (NLE) and the Maths Lead is Specialist Leader in Education (SLE) In addition other members of staff have provided consultancy support.

GOVERNANCE STATEMENT (continued)

Collaboration:

The Academy Trust is an active member of two clusters: NW24 - the local teaching and learning alliance as well as the School Business Manager Partnership. Both of which provide opportunities for efficiency, group procurement and the sharing of best practice. The School Business Manager is a member of Schools Forum and supports valuable communication between cluster schools and the forum.

Review of Staffing Structure:

This is kept under review as part of the strategic planning process. Opportunities for re-shaping are taken, so the Academy Trust is well placed to deliver improvement plans and gain efficiencies. For example the Academy Trust now has a Higher Level Teaching Assistant to provide class cover. Lunch-time cover has been reviewed and revised, providing improved supervision arrangements which in turn supports good behaviour.

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 Elmlea Junior School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 Audit 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 and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' 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

GOVERNANCE STATEMENT (continued)

- Testing of control account/bank account reconciliations

On a termly basis, the auditors report to the Board of Trustees, through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees, financial responsibilities. The reviewer has delivered the schedule of work as planned. There were no material control issues.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 11/12/16 and signed on their behalf, by:



A Boyle
Chair of Trustees



C Galliers
Accounting Officer

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Clare Galliers

**C Galliers
Accounting Officer**

1/12/16

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**A Boyle
Chair of Trustees**

Date: 1/12/16

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF ELMLEA JUNIOR SCHOOL**

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF ELMLEA JUNIOR SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Joseph Scaife

Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 15/12/16

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ELMLEA JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Elmlea Junior School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ELMLEA JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Elmlea Junior School's funding agreement with the Secretary of State for Education dated 23 June 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ELMLEA
JUNIOR SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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

Joseph Scaife

Joseph Scaife FCA DChA (Reporting Accountant)

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

Date:

15/12/16

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	13,864	63,189	19,130	96,183	72,857
Charitable activities	5	113,516	1,301,781	-	1,415,297	1,462,774
Other trading activities	3	25,609	-	-	25,609	22,534
Investments	4	1,421	-	-	1,421	2,623
TOTAL INCOME		154,410	1,364,970	19,130	1,538,510	1,560,788
EXPENDITURE ON:						
Charitable activities		118,686	1,308,442	88,577	1,515,705	1,464,540
TOTAL EXPENDITURE	6	118,686	1,308,442	88,577	1,515,705	1,464,540
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	35,724	56,528	(69,447)	22,805	96,248
		-	(65,868)	65,868	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		35,724	(9,340)	(3,579)	22,805	96,248
Actuarial losses on defined benefit pension schemes	22	-	(246,000)	-	(246,000)	(17,000)
NET MOVEMENT IN FUNDS		35,724	(255,340)	(3,579)	(223,195)	79,248
RECONCILIATION OF FUNDS:						
Total funds brought forward		213,964	(143,222)	3,132,105	3,202,847	3,123,599
TOTAL FUNDS CARRIED FORWARD		249,688	(398,562)	3,128,526	2,979,652	3,202,847

The notes on pages 24 to 44 form part of these financial statements.

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07626956

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		3,128,526		3,132,105
CURRENT ASSETS					
Debtors	14	41,962		93,944	
Cash at bank and in hand		599,543		574,294	
		<u>641,505</u>		<u>668,238</u>	
CREDITORS: amounts falling due within one year	15	<u>(147,866)</u>		<u>(226,983)</u>	
NET CURRENT ASSETS			493,639		441,255
TOTAL ASSETS LESS CURRENT LIABILITIES			3,622,165		3,573,360
CREDITORS: amounts falling due after more than one year	16		<u>(9,513)</u>		<u>(9,513)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			3,612,652		3,563,847
Defined benefit pension scheme liability	22	(633,000)		(361,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,979,652		3,202,847
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
General funds	18	234,438		217,778	
Fixed asset funds	18	3,128,526		3,132,105	
Restricted income funds excluding pension liability		<u>3,362,964</u>		<u>3,349,883</u>	
Pension reserve		<u>(633,000)</u>		<u>(361,000)</u>	
Total restricted income funds			2,729,964		2,988,883
Unrestricted income funds	18		<u>249,688</u>		<u>213,964</u>
TOTAL FUNDS			2,979,652		3,202,847

The financial statements were approved by the Trustees, and authorised for issue, on 1/12/16 and are signed on their behalf, by:

A Boyle
Chair of Trustees

A Boyle

C Galliers
Accounting Officer

Clare Galliers

The notes on pages 24 to 44 form part of these financial statements.

1/12/16

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	109,428	432,344
Cash flows from investing activities:			
Interest received		818	881
Purchase of tangible fixed assets		(84,997)	(315,378)
Net cash used in investing activities		(84,179)	(314,497)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	10,871
Net cash provided by financing activities		-	10,871
Change in cash and cash equivalents in the Year		25,249	128,718
Cash and cash equivalents brought forward		574,294	445,576
Cash and cash equivalents carried forward	21	599,543	574,294

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

Elmlea Junior School is a company limited by guarantee, incorporated in England and Wales. The registered office is The Dell, Westbury-onTrym, Bristol, BS9 3UF.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.3 FUND ACCOUNTING

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 EXPENDITURE

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

Charitable activities 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.

1.6 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

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

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	Over the term of the lease
Long term leasehold property	-	2% Straight Line
Office equipment	-	10-15% Straight Line
Computer equipment	-	20% Straight Line

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

1.8 OPERATING LEASES

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

1.9 INTEREST RECEIVABLE

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

1.10 TAXATION

The Academy 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 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.

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

1. ACCOUNTING POLICIES (continued)

1.11 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.12 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.13 LIABILITIES AND PROVISIONS

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

1.14 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.15 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

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

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

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease required the Academy to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease required an asset and liability to be recognised in the Balance Sheet.

ELMLEA JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	13,864	63,189	11,322	88,375	65,099
Capital Grants	-	-	7,808	7,808	7,758
	<u>13,864</u>	<u>63,189</u>	<u>19,130</u>	<u>96,183</u>	<u>72,857</u>
Total donations and capital grants	13,864	63,189	19,130	96,183	72,857

In 2015, of the total income from donations and capital grants, £10,243 was to unrestricted funds, £54,856 was to restricted funds and £7,758 was in relation to restricted fixed asset funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	12,967	-	12,967	14,152
External Catering	1,010	-	1,010	1,788
Other	11,632	-	11,632	6,594
	<u>25,609</u>	<u>-</u>	<u>25,609</u>	<u>22,534</u>
	25,609	-	25,609	22,534

In 2015, the total income from other trading activities, £22,534 was to unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,421	-	1,421	2,623
	<u>1,421</u>	<u>-</u>	<u>1,421</u>	<u>2,623</u>
	1,421	-	1,421	2,623

In 2015, the total investment income, £2,623 was to unrestricted funds.

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FOR THE YEAR ENDED 31 AUGUST 2016

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	1,238,671	1,238,671	1,306,708
Other DfE/EFA grants	-	32,978	32,978	28,696
	-	1,271,649	1,271,649	1,335,404
Other government grants				
High Needs Funding	-	20,417	20,417	28,417
Sports Premium	-	9,715	9,715	12,030
	-	30,132	30,132	40,447
Other educational income				
Internal catering income	78,007	-	78,007	67,723
Other	9,436	-	9,436	9,200
Income for hosting trainee teachers	-	-	-	10,000
Consultancy Income	26,073	-	26,073	-
	113,516	-	113,516	86,923
	113,516	1,301,781	1,415,297	1,462,774

In 2015, of the total income from charitable activities, £86,923 was unrestricted and £1,375,851 was restricted.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	894,202	88,577	172,036	1,154,815	1,079,967
Support costs	159,322	56,149	145,419	360,890	384,573
	1,053,524	144,726	317,455	1,515,705	1,464,540

In 2016, of the total expenditure, £1,413,157 (2015: £1,385,112) was restricted funds and £83,429 (2015: £76,428) was unrestricted funds.

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7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	5,900	14,000
Educational supplies (including educational trips)	97,655	76,895
Examination fees	1,714	204
Staff development	11,786	10,649
Other costs	19,921	13,336
Supply teachers	18,912	45,902
Technology costs	16,623	25,059
Professional costs	18,437	14,058
Wages and salaries	700,648	654,905
National insurance	53,363	43,925
Pension cost	121,279	101,847
Depreciation	88,577	79,187
	<u>1,154,815</u>	<u>1,079,967</u>

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Educational Supplies	9,100	-
Other costs	6,831	8,975
Recruitment and support	2,367	1,242
Maintenance of premises and equipment	13,288	22,187
Cleaning	17,608	18,520
Rates	7,450	10,721
Energy costs	14,954	16,686
Insurance	6,290	25,816
Security and transport	1,109	2,528
Catering	82,733	70,677
Technology costs	2,153	2,495
Office overheads	13,195	16,395
Professional costs	13,402	8,797
Bank interest and charges	2,239	1,742
Governance	8,849	13,325
Wages and salaries	116,000	123,768
National insurance	7,780	6,648
Pension cost	35,542	34,051
	<u>360,890</u>	<u>384,573</u>

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FOR THE YEAR ENDED 31 AUGUST 2016

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	88,577	79,187
Auditor's remuneration - audit	6,650	6,125
Auditor's remuneration - non audit	3,875	3,875
Operating lease rentals	1,358	1,358
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	816,648	779,919
Social security costs	61,143	50,573
Operating costs of defined benefit pension schemes	156,821	136,061
	<u>1,034,612</u>	<u>966,553</u>
Supply teacher costs	18,912	45,902
	<u>1,053,524</u>	<u>1,012,455</u>

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

	2016 No.	2015 No.
Teachers	20	19
Learning support	13	12
Administration and other support	5	5
Management	5	5
	<u>43</u>	<u>41</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	13	14
Learning support	6	5
Administration and other support	4	5
Management	4	4
	<u>27</u>	<u>28</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for this member of staff amounted to £11,588 (2015: £10,111).

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership 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 £248,913 (2015: £212,955).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2015: 4) in respect of defined contribution pension schemes.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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. The value of Trustees' remuneration and other benefits was as follows: C Galliers: Remuneration £70,000 - £75,000 (2015: £65,000 - £70,000), Employer's Pension £10,000 - £15,000 (2015: £10,000 - £15,000), J Sloper: Remuneration £40,000 - £45,000 (2015: £35,000 - £40,000 for 10 months), Employer's Pension £5,000 - £10,000 (2015: £5,000 - £10,000 for 10 months), S Dyer: Remuneration £35,000 - £40,000 (2015: £40,000 - £45,000), Employer's Pension £5,000 - £10,000 (2015: £5,000 - £10,000), S Rupprecht: Remuneration £35,000 - £40,000 (2015: £25,000 - £30,000), Employer's Pension £5,000 - £10,000 (2015: £0 - £5,000), L Sheffield: Remuneration £Nil (2015: £0 - £5,000 for 1 month), Employer's Pension £Nil (2015: £0 - £5,000 for 1 month).

During the year, no Trustees received any benefits in kind (2015: £Nil).

Other related party transactions involving the trustees are set out in note 23

During the year, no Trustees received any reimbursement of expenses (2015: £15).

12. 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.

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

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2015	3,275,776	33,442	127,957	3,437,175
Additions	26,653	39,205	19,140	84,998
Disposals	-	-	(6,170)	(6,170)
At 31 August 2016	3,302,429	72,647	140,927	3,516,003
DEPRECIATION				
At 1 September 2015	211,727	19,767	73,576	305,070
Charge for the Year	57,112	6,374	25,091	88,577
On disposals	-	-	(6,170)	(6,170)
At 31 August 2016	268,839	26,141	92,497	387,477
NET BOOK VALUE				
At 31 August 2016	3,033,590	46,506	48,430	3,128,526
At 31 August 2015	3,064,049	13,675	54,381	3,132,105

14. DEBTORS

	2016 £	2015 £
Trade debtors	11,060	102
VAT recoverable	12,005	69,677
Prepayments and accrued income	18,897	24,165
	41,962	93,944

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other loans	1,358	1,358
Trade creditors	68,187	115,168
Other taxation and social security	18,618	13,478
Other creditors	1,066	18,870
Accruals and deferred income	58,637	78,109
	147,866	226,983

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

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	5,843	5,810
Resources deferred during the year	8,373	5,843
Amounts released from previous years	(5,843)	(5,810)
	<u>8,373</u>	<u>5,843</u>
Deferred income at 31 August 2016	<u>8,373</u>	<u>5,843</u>

At the balance sheet date the academy trust was holding funds received in relation to devolved formula capital, received from the EFA, for the 16/17 financial year.

16. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Other loans	<u>9,513</u>	<u>9,513</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>5,436</u>	<u>5,436</u>
OVER FIVE YEARS		
Other loans	<u>4,077</u>	<u>4,077</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	<u>4,077</u>	<u>4,077</u>

Included within other creditors due after more than one year is a loan from Salix Limited under the Schools Energy Efficiency Loans Programme. At the year end £10,871 (2015: £10,871) remains outstanding. The loan is unsecured and interest free. It is repayable by instalments following final completion of works including retention with 8 years remaining at the year end.

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NOTES TO THE FINANCIAL STATEMENTS
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17. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets measured at fair value through income and expenditure	599,543	574,294
Financial assets measured at amortised cost	11,060	5,522
	<u>610,603</u>	<u>579,816</u>
Financial liabilities measured at amortised cost	<u>(125,110)</u>	<u>(209,590)</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

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

Financial liabilities measured at amortised cost comprise of, trade creditors other creditors, other loans and accruals.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	213,964	154,410	(118,686)	-	-	249,688
RESTRICTED FUNDS						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	217,778	1,238,671	(1,162,721)	(65,868)	-	227,860
High needs funding	-	20,417	(20,417)	-	-	-
Pupil premium	-	32,978	(32,978)	-	-	-
Sports premium funding	-	9,715	(9,715)	-	-	-
Donations	-	63,189	(56,611)	-	-	6,578
Pension reserve	(361,000)	-	(26,000)	-	(246,000)	(633,000)
	(143,222)	1,364,970	(1,308,442)	(65,868)	(246,000)	(398,562)
RESTRICTED FIXED ASSET FUNDS						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	2,740,164	-	(52,016)	-	-	2,688,148
Fixed assets purchased from GAG and DFC	194,209	7,808	(30,948)	65,868	-	236,937
DfE/EFA Capital grants	171,918	-	(3,404)	-	-	168,514
Fixed Assets purchased from donations	25,814	11,322	(2,209)	-	-	34,927
	3,132,105	19,130	(88,577)	65,868	-	3,128,526
Total restricted funds	2,988,883	1,384,100	(1,397,019)	-	(246,000)	2,729,964
Total of funds	3,202,847	1,538,510	(1,515,705)	-	(246,000)	2,979,652

RESTRICTED FUNDS

The General Annual Grant (GAG) - This represents funding received from the EFA during the period in order to fund the continuing activities of the school.

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

High Needs - This represents funding is received from the Local Authority to cater for children with statements of special educational needs.

Donations largely represent income received from the Junior School Parent Teacher Association to spend on specific educational resources and income contributed towards educational trips.

Pupil Premium - This represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Devolved Formula Capital - This represents funding from the EFA to cover the maintenance and purchase of the schools assets.

PE Grant - This represents funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils to encourage them to develop healthy lifestyles.

The pension fund represents the Local Government Pension Scheme deficit.

FIXED ASSETS FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Bristol City Council on conversion to an academy.

Fixed assets purchase from General Annual Grant represents amounts spent on fixed assets from the GAG funding received from the EFA.

Fixed assets purchased from donations represent amounts donated to be spent on specific fixed asset additions.

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	3,128,526	3,128,526	3,132,105
Current assets	249,688	391,816	-	641,504	668,238
Creditors due within one year	-	(147,865)	-	(147,865)	(226,983)
Creditors due in more than one year	-	(9,513)	-	(9,513)	(9,513)
Pension scheme liability	-	(633,000)	-	(633,000)	(361,000)
	<u>249,688</u>	<u>(398,562)</u>	<u>3,128,526</u>	<u>2,979,652</u>	<u>3,202,847</u>

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

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	22,805	96,248
Adjustment for:		
Depreciation charges	88,577	79,187
Interest received/(payable)	(818)	(881)
Loss on the sale of fixed assets	-	776
Decrease in debtors	51,982	119,938
Increase/(decrease) in creditors	(79,118)	111,076
Defined benefit pension scheme cost less contributions payable	11,000	12,000
Defined benefit pension scheme finance cost	15,000	14,000
Net cash provided by operating activities	109,428	432,344

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	399,543	394,294
Notice deposits (less than 3 months)	200,000	180,000
Total	599,543	574,294

22. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a

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

22. PENSION COMMITMENTS (continued)

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

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

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

The employer's pension costs paid to TPS in the period amounted to £104,645 (2015: £102,898).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2016 was £54,000 (2015: £44,000), of which employer's contributions totalled £41,000 (2015: £32,000) and employees' contributions totalled £13,000 (2015: £12,000). The agreed contribution rates for future years are 15.2% for employers and 5.5 - 6.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Expected return on scheme assets at 31 August	2.10 %	5.28 %
Rate of increase in salaries	3.30 %	3.80 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %

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22. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	23.5 years	23.4 years
Females	26.0 years	25.9 years
Retiring in 20 years		
Males	25.9 years	25.8 years
Females	28.9 years	28.8 years

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	148,000	114,000
Government bonds	36,000	18,000
Property	28,000	17,000
Cash	(1,000)	5,000
Other bonds	28,000	23,000
Other	54,000	28,000
Total market value of assets	293,000	205,000

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(52,000)	(47,000)
Net interest cost	(15,000)	(14,000)
Total	(67,000)	(61,000)
Actual return on scheme assets	35,000	3,000

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22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	566,000	475,000
Current service cost	52,000	47,000
Interest cost	23,000	20,000
Contributions by employees	13,000	12,000
Actuarial losses	273,000	13,000
Benefits paid	(1,000)	(1,000)
	<u>926,000</u>	<u>566,000</u>
Closing defined benefit obligation		

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

	2016 £	2015 £
Opening fair value of scheme assets	205,000	157,000
Interest income	9,000	7,000
Actuarial gains and (losses)	27,000	(4,000)
Contributions by employer	41,000	35,000
Contributions by employees	13,000	12,000
Benefits paid	(1,000)	(1,000)
Administration expenses	(1,000)	(1,000)
	<u>293,000</u>	<u>205,000</u>
Closing fair value of scheme assets		

23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	3,507	3,507
Between 1 and 5 years	6,575	9,204
	<u>10,082</u>	<u>12,711</u>
Total		

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NOTES TO THE FINANCIAL STATEMENTS
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24. RELATED PARTY TRANSACTIONS

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

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

25. CONTROLLING PARTY

The Academy Trust is under joint control of the Trustees. There is no ultimate controlling party.

26. 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.

27. FIRST TIME ADOPTION OF FRS 102

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		3,123,599	3,202,847
Total funds reported under FRS 102		<u>3,123,599</u>	<u>3,202,847</u>

Reconciliation of net income/ (expenditure)	Notes	31 August 2015
		£
Net income previously reported under UK GAAP		99,248
Interest cost on FRS17 pension liability	1	(3,000)
Net (income) before other gains and losses reported under FRS 102		<u>96,248</u>

Explanation of changes to previously reported funds and net income/expenditure:

- 1 Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS102 net interest, based on the net defined benefit liability, is recognised in income. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the credit to income by £3,000 and reduce the credit in other recognised gains and losses in the SoFA by an equivalent amount.