

**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**EASTROP INFANT SCHOOL  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Mr K Weise Mr R James Mrs A Cripps Mrs J Milsom (appointed 15 September 2016) Mr A Griffiths (appointed 15 September 2016)
<b>Trustees</b>	Mr K Weise, Chair <sup>1</sup> Mr R James, Chair of Finance & Premises <sup>1</sup> Mrs A Cripps, Vice Chair <sup>2</sup> Mrs J Davidson (resigned 9 May 2017) <sup>2</sup> Mrs J Milsom <sup>2</sup> Mrs C McLaughlin <sup>2</sup> Mrs V Parker (resigned 18 November 2016) <sup>1</sup> Mr N Smith (resigned 11 November 2016) Mr A Griffiths, Head Teacher (appointed 15 September 2016) <sup>1,2</sup> Mr C McMahon (appointed 15 September 2016) <sup>1</sup> Mrs L Hutton (appointed 15 September 2016) <sup>2</sup> Mrs T Danson (appointed 15 September 2016, resigned 31 August 2017) <sup>1,2</sup> Mr D McNaughton (appointed 15 September 2016) <sup>1</sup> Mr A J Duncan (appointed 10 November 2016) <sup>2</sup>  <sup>1</sup> Finance and Premises Committee <sup>2</sup> Curriculum Standards and Staffing Committee
<b>Company registered number</b>	07728828
<b>Company name</b>	Eastrop Infant School
<b>Principal and registered office</b>	Eastrop Infant School Eastrop Highworth Swindon SN6 7AP
<b>Company secretary</b>	Mr K A Weise
<b>Accounting Officer</b>	Mr A Griffiths
<b>Senior leadership team</b>	Mr A Griffiths, Head Teacher Ms R Vardy, Assistant Head Teacher (resigned 1 September 2017) Ms M James, Assistant Head Teacher (appointed 1 September 2017) Mrs D Duncan, School Business Manager (appointed 1 September 2017)
<b>Independent auditors</b>	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Solicitors**

Thompsons  
Thompsons Grove House  
55 Lowlands Road  
Harrow  
Middlesex  
HA1 3AP

Swindon Borough Council  
Civic Offices  
Euclid Street  
Swindon  
SN1 2JH

**Bankers**

Lloyds Bank PLC  
84-86 Cricklade Rd  
Gorse Hill  
Swindon  
SN2 8AF

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. 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 4 to 7 in Highworth and surrounding area. It has a pupil capacity of 180 and had a roll of 163 in the school census on 1 September 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

The Trustees of Eastrop Infant School are also the directors of the charitable company for the purposes of company law.

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 ceased to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the academy. The limit of this indemnity is £1,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

On 1 September 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, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Head Teacher, a minimum of 2 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Head Teacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees)

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 5 Trustees who are appointed by members.
- Minimum 2 and up to 4 Parent Trustees who are elected by Parents of registered pupils at the Academy,
- up to 2 staff Trustees appointed by Trustee board,
- Head Teacher, and
- Up to 3 co-opted Trustees.

**EASTROP INFANT SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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Trustees are appointed for a four-year period, except that this time limit does not apply to the Head Teacher. 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 training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies where possible.

**Organisational Structure**

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy 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 2 committees as follows;

- Finance and Premises Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It is also responsible for health and safety and risk management. It also incorporates the role of an audit committee.
- Curriculum Standards and Staffing Committee - this meets at least 4 times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues, data, reviewing staffing levels and deciding on appointments subject to ratification.

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 Head Teacher and Clerk to the Trustees, to approve the Annual Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Head Teacher, Assistant Head Teacher and SBM. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Head Teacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Head Teacher is the Accounting Officer.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

**Related Parties and other Connected Charities and Organisations**

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

Mr R J James is a Trustee and Member of Highworth Warneford School.

Eastrop Infant School buys in catering, PE support and financial services from Highworth Warneford School under a SLA, this has provided the expertise required under our budget constraints. During the period the total amount charged for catering was £56,238 (2016: £56,649) for PE support was £1,197 (2016: £1,132) and for finance support was £10,000 (2016: £10,000).

Mr K Weise is a Trustee of Southfield Junior School. Mr A Griffiths is a member and is acting Head Teacher of Southfield Junior School as of 1 September 2017.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The aims of the Academy during the year ended 31 August 2017 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils,
- to provide a broad and balanced curriculum, including extracurricular activities,
- to develop students as more effective learners,
- to develop the Academy site so that it enables students to achieve their full potential,
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to develop greater coherence, clarity and effectiveness in school systems,
- to comply with all appropriate statutory and curriculum requirements,
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Eastrop Infant School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy Improvement Plan which is available from the Academy Office. Improvement focuses identified for this year include:

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**AREA 1**

**Leadership and Management**

- Create and communicate an ambitious vision for Eastrop and develop highly effective leadership at all levels, including governance,
- Audit and review current staffing and leadership structures and systems,
- Review, redesign and implement a creative, cross-curricular curriculum,
- Develop a vision for computing & a strategic plan for purchasing and maintaining high quality I.T. equipment,
- Undertake an external audit of safeguarding practices and update relevant policies to reflect 2016 DfE and local guidance , and
- Plan and provide high quality training, relevant to the school improvement plan and school self-evaluation, for leaders and governors.

**AREA 2**

**Teaching, Learning & Assessment**

- Improve the quality of teaching so that it is typically strong and increasingly exemplary,
- Implement Target Tracker as a new tool for tracking and evaluating children's attainment and progress,
- Further develop the opportunities for high quality and purposeful outdoor learning for all children,
- As a school, focus specifically on developing cross-curricular writing, including spelling, punctuation and grammar,
- Achieve the Eco Schools bronze award, and
- Plan and provide high quality training, relevant to individual needs and the school improvement plan, for teaching and support staff.

**AREA 3**

**Personal Development, Behavior & Welfare**

- Promote, demonstrate and encourage exemplary attitudes towards learning, play and relationships,
- Further develop children's understanding and application of Eastrop's core values and vision ,
- Further improve children's transition experience to Southfield Junior School,
- Achieve an attendance target of 96.5%, and
- Achieve reaccreditation of the Swindon Dyslexia Friendly School award.

**AREA 4**

**Communication & Marketing**

- Rebrand, redesign and publish a new school website,
- Further enhance communication and partnerships with parents and carers ,
- Plan and enjoy a celebration event for Eastrop's 40th anniversary since opening in 1977,
- Edit and publish Eastrop's lettings policy to generate additional income for our school,
- Further develop and make the most of valuable community links, and
- Further raise the profile of the Governing Body through the school website and newsletter .



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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**AREA 5**

**Premises Development and Maintenance**

- Capital project: upgrade the Key Stage 1 and Early Years boys' toilets,
- Appoint and induct a school caretaker,
- Further develop the children's playgrounds and outdoor learning areas within the school grounds, with a focus on the Early Years,
- Design and implement a building and grounds maintenance plan which includes painting, decorating and general upkeep of Eastrop, and
- Undertake a full skills audit of all stakeholders.

**Public Benefit**

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

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its fifth year of operation. Eastrop Infant School was inspected by OFSTED in 2016 and was judged to be Good.

The total number of students for which funding was received in the year ended 31 August 2016 was 166, in 17-18 the school will receive funding based on the October 2016 Census number on roll of 167. The number on roll increased during 16-17 but dropped to 163 in September 2017.

**Key Stage 1**

We entered 57 children to sit their end of Key Stage 1 SATs which were internally marked and moderated by staff and school leaders as well as by teachers who attended local cluster and borough moderation.

**Reading**

73.7% reached the expected standard, with 26.3% at greater depth

**Writing**

64.9% reached the expected standard, with 17.5% at greater depth

**Maths**

73.7% reached the expected standard, with 19.3% at greater depth

Overall, the combined scores (R+W+M) were 61.4% reaching the expected standard, with 14% at greater depth.

This demonstrates the excellent teaching of the staff at Eastrop Infant School. We were particularly impressed with the results of SATS

All classes have a teaching assistant, which is a valuable addition to the classroom.

Over 20 parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, drama and trips out of school.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team. Basic Skills award and Dyslexia friendly schools awards were retained.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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During the year the Academy has within its Repairs and maintenance and Devolved Formula Capital Funding refurbished the Key Stage 1 Boys toilets, repainted all other toilet facilities plus the entrance hall, administrative offices and corridors.

During the year, the Academy's charity fundraising activities raised £5,300.

The Academy has established close links with Southfield Junior School and Vorda Playgroup. The two Academies are embarking on mutual staff development, with the primary aim of driving up standards.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £79,528 was carried forward representing 13.0% of GAG.

Staffing costs were unsustainably high for 2015-16. During 16-17 the staffing structure of the school was reviewed and the Trustees agreed significant changes. This has resulted in changes to support staff to better support the less able pupils and the appointment of a Deputy Head and a School Business Manager. We are pleased to report these have been successfully implemented with expected future savings and reductions in the high staff costs compared to GAG Income.

The following KPI's were set at the start of the year:

	Target	Actual
GAG carry forward % (excluding equal pay loan)	8.0%	7.6%
Staff costs per pupil	£3,100	£3,074
Ratio of staff costs to Total income	68%	69%
Ratio of staff costs to GAG income	83%	83%

It was the school's intention to build up their reserves to ensure there are sufficient funds to support future possible projects. The school looked to make savings throughout the year to increase the potential carry forward at year end.

Staff ratios to income and costs per pupil were a specific target with the school aiming to create savings for future periods through a process of restructure, the results of this will be seen in future periods but the impact of the associated restructure costs are within the year, hence the static staff cost to GAG Income ratio.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy'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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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.

**EASTROP INFANT SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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During the year ended 31 August 2017, the Academy received total income of £738,376 and incurred total expenditure of £756,865. The excess of expenditure over income for the year was £18,489.

At 31 August 2017 the net book value of fixed assets was £1,230,986 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.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on conversion in 2011 at £1,111,254. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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.

Key financial policies adopted or reviewed during the year include the Accounting Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Scheme of Delegation, Charges and Lettings, Asset Management and Insurance.

**Reserves Policy**

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

The Trustees have determined that the appropriate level of free (unrestricted and GAG funds) reserves should be at least 1 month of operational expenditure (£50k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or a fall in pupil numbers. Total reserves of the academy amount to £1,182,867, although £1,230,986 of this is invested in fixed assets and £141,173 represents the local government pension scheme deficit and other loans. The remaining £92,597 (representing £12,612 unrestricted funds and £79,985 restricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

**Investment Policy**

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates.

**EASTROP INFANT SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**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.

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 98.9% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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 potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**PLANS FOR FUTURE PERIODS**

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

The Academy will continue to work with Vorda Playgroup and Southfield Junior School to improve the educational opportunities for pupils.

Full details of our plans for the future are given in our Academy Improvement Plan, which is available on our website or from the Clerk to the Trustees.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**TRUSTEES INDEMNITIES**

The Trustees, as directors, confirm that there were any 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 Bath Limited, 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 21/11/17 and signed on the board's behalf by:

**Mr R James**  
**Chair of Finance and Premises Committee**



**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Eastrop Infant 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 Head Teacher, 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 Eastrop Infant 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 7 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
Mr K Weise, Chair	7	7
Mr R James, Chair of Finance & Premises	7	7
Mrs C McLaughlin	6	7
Mrs V Parker	3	5
Mr N Smith	6	7
Mr A Griffiths, Head Teacher	6	7
Mr C McMahon	2	2
Mrs L Hutton	1	1
Mrs T Danson	7	7
Mr D McNaughton	6	7
Mr A J Duncan	6	7

The Board of Trustees have continued with the same Governance structure this year. Three new Trustees were co-opted during the year, all with differing skills and strengths to offer.

The board regularly reviews its effectiveness any actions are recorded and monitored on an on going basis. Skills audits have been completed. Trustees have attended training courses to enhance their knowledge. They also visit the school regularly to check on data and monitor budget information and report back to Governing body. The Vice Chair is currently undertaking training for the prospective Chairs of Academy Boards. Meetings are planned with strategic dates i.e. school data, audits etc. The Board will hold an annual review of Governance in the autumn of 2017.

The Finance & Premises is a sub-committee of the main Board of Trustees. It is responsible for;

- monitoring, evaluating and reviewing policy and performance in relation to financial management
- receiving reports from the Responsible officer,
- drafting the annual budget including staffing levels approval by the full Board. It also incorporates the role of an audit committee,
- Monitoring and review Health & Safety, and
- Reviewing risk and make recommendations to Full Governing body.

During the year D McNaughton and C McMahon joined the committee along with T Danson who transferred from Curriculum, Standards and Staffing.

**EASTROP INFANT SCHOOL  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Griffiths, Head Teacher	6	6
Mr K Weise, Chair	5	6
Mr R James, Chair of Finance & Premises	6	6
Mr C McMahon	4	6
Mr D McNaughton	6	6
Mrs T Danson, Staff Governor	4	4
Mrs V L Parker	1	1

The Curriculum standards and Staffing is a sub-committee of the main Board of Trustees. Its purpose is responsible for reviewing staffing levels and supporting with new appointments and reviewing the performance management procedures.

- Supports the leadership team in creating a demanding, exciting and relevant curriculum,
- Visiting the school and monitoring key areas of responsibility linked to the SIP,
- Evaluating and feeding back key strengths and identify areas for development,
- Understanding and reviewing National Performance data. Regularly reviewing and monitoring in school target tracker, and
- Making sure all safeguarding procedures are adhered to.

All reports and recommendation are reported back to the Finance and Premises Committee and Full Board for ratification.

During the year L Hutton, and A Duncan joined the committee .

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Griffiths, Head Teacher	6	6
Mrs A Cripps, Chair of CSS	6	6
Mrs J Milsom	6	6
Mrs J Davidson	3	4
Mrs L Hutton	3	6
Mrs C McLaughlin	5	6
Mr A Duncan, Staff Governor	3	5
Mrs T Danson, Staff Governor	1	1

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy 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.

**GOVERNANCE STATEMENT (continued)**

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The Accounting Officer considers how the academy'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 has delivered improved value for money during the year by:

- Robust financial governance and budget management,
- Value for money purchasing,
- Reviewing controls and managing risk,
- Considering allocation/targeting/use of resources,
- Not allocating time/resources to areas where few improvements can be achieved,
- Making comparisons with similar Academies using data provided by the EFA and the Government,
- Challenging proposals and examining their effectiveness and efficiency,
- Deploying staff effectively,
- Reviewing quality of curriculum provision and quality of teaching,
- Reviewing quality of children's learning to enable children to achieve nationally expected progress, and
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**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 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 Eastrop Infant School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The academy'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 Premises 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.



**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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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 RSM UK as Responsible officer for year ending 31 August 2017. The Trustees have appointed Bishop Fleming LLP, the external auditor, to perform additional checks for the year ending 31 August 2018 onwards.

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems,
- Testing of purchase systems, and
- Testing of control account/bank account reconciliations.

On a semi-annual basis, the appointee reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

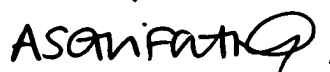
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 Premises 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 2/11/17 and signed on their behalf, by:



**Mr R James**  
**Chair of Finance & Premises Committee**



**Mr A Griffiths, Head Teacher**  
**Accounting Officer**

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Eastrop Infant School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



**Mr A Griffiths  
Accounting Officer**

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

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

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

Approved by order of the members of the Board of Trustees on 2/11/17 and signed on its behalf by:



**Mr R James  
Chair of Finance & Premises Committee**

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EASTROP INFANT SCHOOL**

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**OPINION**

We have audited the financial statements of Eastrop Infant School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EASTROP INFANT SCHOOL**

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

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

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
EASTROP INFANT SCHOOL**

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

*Bishop Fleming Bath Limited*

John Talbot FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants  
Statutory Auditors

Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: *27 November 2017*

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EASTROP  
INFANT SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 6 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eastrop Infant School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EASTROP INFANT SCHOOL'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Eastrop Infant School's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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.

**EASTROP INFANT SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EASTROP  
INFANT SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming Bath Limited*

John Talbot FCA

**Bishop Fleming Bath Limited**

Chartered Accountants  
Statutory Auditors

Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: *27 November 2017*



**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	114	14,826	-	14,940	14,136
Charitable activities	3	2,232	720,888	-	723,120	737,558
Other trading activities	4	231	-	-	231	266
Investments	5	85	-	-	85	136
<b>TOTAL INCOME</b>		<b>2,662</b>	<b>735,714</b>	<b>-</b>	<b>738,376</b>	<b>752,096</b>
<b>EXPENDITURE ON:</b>						
Raising funds		231	-	-	231	-
Charitable activities		1,575	714,894	40,165	756,634	770,415
<b>TOTAL EXPENDITURE</b>	6	<b>1,806</b>	<b>714,894</b>	<b>40,165</b>	<b>756,865</b>	<b>770,415</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	856	20,820	(40,165)	(18,489)	(18,319)
		-	(6,897)	6,897	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		856	13,923	(33,268)	(18,489)	(18,319)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	68,000	-	68,000	(66,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>856</b>	<b>81,923</b>	<b>(33,268)</b>	<b>49,511</b>	<b>(84,319)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		11,756	(143,111)	1,264,254	1,132,899	1,217,218
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>12,612</b>	<b>(61,188)</b>	<b>1,230,986</b>	<b>1,182,410</b>	<b>1,132,899</b>

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

**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07728828**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		1,230,986		1,260,630
<b>CURRENT ASSETS</b>					
Debtors	14	15,451		23,345	
Cash at bank and in hand		156,234		114,699	
		<u>171,685</u>		<u>138,044</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(81,254)		(73,732)	
<b>NET CURRENT ASSETS</b>			<u>90,431</u>		<u>64,312</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,321,417</u>		<u>1,324,942</u>
<b>CREDITORS:</b> amounts falling due after more than one year	16		(31,007)		(33,043)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>1,290,410</u>		<u>1,291,899</u>
Defined benefit pension scheme liability	22		(108,000)		(159,000)
<b>NET ASSETS</b>			<u><u>1,182,410</u></u>		<u><u>1,132,899</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	46,812		15,889	
Fixed asset funds	18	1,230,986		1,264,254	
		<u>1,277,798</u>		<u>1,280,143</u>	
Restricted funds excluding pension liability					
Pension reserve		(108,000)		(159,000)	
		<u></u>		<u></u>	
Total restricted funds			1,169,798		1,121,143
Unrestricted funds	18		12,612		11,756
<b>TOTAL FUNDS</b>			<u><u>1,182,410</u></u>		<u><u>1,132,899</u></u>

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 21/11/17 and are signed on their behalf, by:



**Mr R James**  
**Chair of Finance & Premises**

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

**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<u>45,861</u>	<u>(21,626)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		85	136
Purchase of tangible fixed assets		(10,522)	(16,285)
Capital grants from DfE/ESFA		<u>9,277</u>	<u>5,852</u>
<b>Net cash used in investing activities</b>		<u>(1,160)</u>	<u>(10,297)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<u>(3,166)</u>	<u>(3,166)</u>
<b>Net cash used in financing activities</b>		<u>(3,166)</u>	<u>(3,166)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>41,535</b>	<b>(35,089)</b>
Cash and cash equivalents brought forward		<u>114,699</u>	<u>149,788</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>156,234</u></u>	<u><u>114,699</u></u>

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

**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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**

Eastrop Infant School is a company limited by guarantee, incorporated in England and Wales. The registered office is Eastrop Infant School, Eastrop, Highworth, Swindon, SN6 7AP.

**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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.3 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.

**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

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

**EASTROP INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion the academy/academy trust 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	straight line over 125 years
Long term leasehold property	-	straight line over 50 years
Leasehold improvements	-	straight line over 50 and 25 years
Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 4 years

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.

**1.7 OPERATING LEASES**

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

**1.8 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.

**1.9 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.10 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.

**1.11 FINANCIAL INSTRUMENTS**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at fair value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 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.

**1.13 PENSIONS**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.13 PENSIONS (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 net income / expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder 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.



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**1. ACCOUNTING POLICIES (continued)**

**1.15 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 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an 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 requires an asset and liability to be recognised in the Balance Sheet.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	114	5,549	-	5,663	8,284
Capital Grants	-	9,277	-	9,277	5,852
	<u>114</u>	<u>14,826</u>	<u>-</u>	<u>14,940</u>	<u>14,136</u>
<i>Total 2016</i>	<u>4,603</u>	<u>9,533</u>	<u>-</u>	<u>14,136</u>	

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	613,934	613,934	617,948
Other DfE/ESFA grants	-	88,801	88,801	84,575
	-	702,735	702,735	702,523
<b>Other Government grants</b>				
High Needs	-	16,153	16,153	22,612
Other government revenue grants	-	2,000	2,000	-
	-	18,153	18,153	22,612
<b>Other funding</b>				
Other non-government income	2,232	-	2,232	12,423
	2,232	-	2,232	12,423
	2,232	720,888	723,120	737,558
<i>Total 2016</i>	1,706	735,852	737,558	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
External Catering	231	-	231	266
<i>Total 2016</i>	266	-	266	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	85	-	85	136
<i>Total 2016</i>	136	-	136	

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**6. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expenditure on fundraising trading	-	-	231	231	-
Education:					
Direct costs	448,523	35,540	47,181	531,244	581,235
Support costs	62,166	43,363	119,861	225,390	189,180
	<u>510,689</u>	<u>78,903</u>	<u>167,273</u>	<u>756,865</u>	<u>770,415</u>
<i>Total 2016</i>	<u>557,662</u>	<u>67,998</u>	<u>144,755</u>	<u>770,415</u>	

**7. DIRECT COSTS**

	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Pension finance costs	3,000	3,000
Educational supplies	12,751	13,199
Staff development	4,618	2,869
Other costs	7,096	8,300
Supply teachers	3,316	8,918
Technology costs	6,003	1,470
Educational consultancy	13,713	6,751
Wages and salaries	356,343	415,164
National insurance	26,539	25,588
Pension cost	62,325	67,664
Depreciation	35,540	31,312
	<u>531,244</u>	<u>584,235</u>
<i>Total 2016</i>	<u>584,235</u>	

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**8. SUPPORT COSTS**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Recruitment and support	350	-
Maintenance of premises and equipment	23,858	14,692
Cleaning	11,698	15,010
Rent and rates	2,810	2,434
Energy costs	4,997	5,435
Insurance	13,340	11,934
Catering	56,701	57,161
Technology costs	5,350	4,760
Office overheads	6,956	6,441
Legal and professional	22,296	19,840
Bank interest and charges	1,285	1,285
Governance	8,958	6,860
Wages and salaries	46,217	32,281
National insurance	830	754
Pension cost	15,119	7,293
Depreciation	4,625	-
	<u>225,390</u>	<u>186,180</u>
<i>Total 2016</i>	<u>186,180</u>	

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017 £</b>	<b>2016 £</b>
Depreciation of tangible fixed assets:		
- owned by the academy	40,166	31,312
Auditors' remuneration - audit	5,500	4,760
Auditors' remuneration - other services	1,000	1,970
Operating lease rentals	5,017	5,017

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	386,664	447,445
Social security costs	27,369	26,342
Operating costs of defined benefit pension schemes	77,444	74,957
	<u>491,477</u>	<u>548,744</u>
Supply teacher costs	3,316	8,918
Staff restructuring costs	15,896	-
	<u>510,689</u>	<u>557,662</u>

Included in staff restructuring costs are non-statutory severance payments totalling £15,896 (2016: £Nil). Individually, the payments were £273, £468, £1,033, £1,571, £3,010, £4,041, and £5,500.

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

	2017 No.	2016 No.
Teachers	9	8
Administration and support	19	16
Management	2	2
	<u>30</u>	<u>26</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	7	5
Administration and support	7	7
Management	2	3
	<u>16</u>	<u>15</u>

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	0

The key management personnel of the Academy 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 was £109,272 (2016: 184,190).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff 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.

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: A Griffiths: Remuneration £50,000 - £55,000 (2016: £Nil), Employer's pension contributions £Nil (2016: £Nil), N Smith: Remuneration £15,000 - £20,000 (2016: £15,000 - £20,000), Employer's pension contributions £Nil - £5,000 (2016: £Nil - £5,000), T Danson: Remuneration £10,000 - £15,000 (2016: £Nil), Employer's pension contributions £Nil - £5,000 (2016: £Nil), A Duncan: Remuneration £25,000 - £30,000 (2016: £Nil), Employer's pension contributions £Nil - £5,000 (2016: £Nil), P Marshall: Remuneration £Nil (2016: £45,000 - £50,000), Employer's pension contributions £Nil (2016: £5,000 - £10,000), E Allanson: Remuneration £Nil (2016: £45,000 - £50,000), Employer's pension contributions £Nil (2016: £5,000 - £10,000), S Cavalot: Remuneration £Nil (2016: £5,000 - £10,000), Employer's pension contributions £Nil (2016: £Nil - £5,000).

Other related party transactions involving the trustees are set out in note 25.

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £NIL).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 was £72 (2016: £72).

**13. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Leasehold property improvement £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2016	1,111,254	245,428	14,021	23,596	1,394,299
Additions	-	5,163	600	4,759	10,522
At 31 August 2017	1,111,254	250,591	14,621	28,355	1,404,821
<b>DEPRECIATION</b>					
At 1 September 2016	92,463	17,239	10,216	13,751	133,669
Charge for the year	27,451	5,720	1,800	5,195	40,166
At 31 August 2017	119,914	22,959	12,016	18,946	173,835
<b>NET BOOK VALUE</b>					
At 31 August 2017	991,340	227,632	2,605	9,409	1,230,986
At 31 August 2016	1,018,791	228,189	3,805	9,845	1,260,630

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**14. DEBTORS**

	2017 £	2016 £
VAT recoverable	3,939	5,311
Prepayments and accrued income	11,512	18,034
	<u>15,451</u>	<u>23,345</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Other loans	2,166	2,166
Trade creditors	12,535	-
Other taxation and social security	7,404	7,684
Other creditors	7,401	8,774
Accruals and deferred income	51,748	55,108
	<u>81,254</u>	<u>73,732</u>

	2017 £	2016 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	37,330	35,861
Resources deferred during the year	33,267	37,330
Amounts released from previous years	(37,330)	(35,861)
Deferred income at 31 August 2017	<u>33,267</u>	<u>37,330</u>

At the balance sheet date the Academy was holding ESFA and local authority grants received in advance for the 2017/18 academic year.

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

	2017 £	2016 £
Other loans	<u>31,007</u>	<u>33,043</u>

To ensure all staff within Swindon school's were on equal pay the local authority performed a pre-conversion pay review. This review established that certain staff in the School were owed additional pay, which was settled by the local authority on behalf of the School. The Academy Trust is required to repay this debt, however the local authority have the right to reconsider the amount owed. A loan was transferred to the Academy Trust on conversion, at the year end £33,173 (2016: £35,209) remains outstanding. The loan is unsecured and is being repaid by installments with 16 years remaining, at an interest rate of 4.93%.

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**17. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	<b>143,699</b>	114,699
Financial assets measured at amortised cost	<b>4,544</b>	7,623
	<u><b>148,243</b></u>	<u>122,322</u>
Financial liabilities measured at amortised cost	<u><b>(51,564)</b></u>	<u>(52,987)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise accrued income.

Financial liabilities measured at amortised cost comprise accruals and other loans.



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**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
Other unrestricted	11,756	2,662	(1,806)	-	-	12,612
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	45,199	613,934	(577,569)	(2,036)	-	79,528
Rates Reimbursement	-	2,082	(2,082)	-	-	-
Universal Infant Free School Meals (UIFSM)	16	57,029	(57,045)	-	-	-
Pupil Premium	548	21,160	(21,708)	-	-	-
PE Grant	-	8,530	(8,530)	-	-	-
Devolved Formula Capital (DFC)	-	9,277	(2,380)	(6,897)	-	-
Local Authority	-	18,153	(18,153)	-	-	-
Donations (school trips)	-	2,783	(2,783)	-	-	-
Donations (PTA and other)	5,335	2,766	(7,644)	-	-	457
Equal pay loan	(35,209)	-	-	2,036	-	(33,173)
Pension reserve	(159,000)	-	(17,000)	-	68,000	(108,000)
	(143,111)	735,714	(714,894)	(6,897)	68,000	(61,188)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	1,044,991	-	(28,264)	-	-	1,016,727
Fixed assets purchased from GAG and other restricted funds	219,263	-	(11,901)	6,897	-	214,259
	1,264,254	-	(40,165)	6,897	-	1,230,986
Total restricted funds	1,121,143	735,714	(755,059)	-	68,000	1,169,798
Total of funds	1,132,899	738,376	(756,865)	-	68,000	1,182,410

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**18. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
Other unrestricted	10,641	5,543	(4,428)	-	-	11,756
	<u>10,641</u>	<u>5,543</u>	<u>(4,428)</u>	<u>-</u>	<u>-</u>	<u>11,756</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	41,971	617,947	(612,553)	(2,166)	-	45,199
Universal Infant Free School Meals (UIFSM)	192	87,655	(87,831)	-	-	16
Pupil Premium	594	19,798	(19,844)	-	-	548
Donations (PTA and other)	1,980	12,801	(9,446)	-	-	5,335
Equal pay loan	(37,375)	-	-	2,166	-	(35,209)
Pension reserve	(88,000)	-	(5,000)	-	(66,000)	(159,000)
	<u>(80,638)</u>	<u>738,201</u>	<u>(734,674)</u>	<u>-</u>	<u>(66,000)</u>	<u>(143,111)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	1,067,781	-	(22,790)	-	-	1,044,991
Fixed assets purchased from GAG and other restricted funds	219,434	8,350	(8,521)	-	-	219,263
	<u>1,287,215</u>	<u>8,350</u>	<u>(31,311)</u>	<u>-</u>	<u>-</u>	<u>1,264,254</u>
Total restricted funds	<u>1,206,577</u>	<u>746,551</u>	<u>(765,985)</u>	<u>-</u>	<u>(66,000)</u>	<u>1,121,143</u>
Total of funds	<u>1,217,218</u>	<u>752,094</u>	<u>(770,413)</u>	<u>-</u>	<u>(66,000)</u>	<u>1,132,899</u>

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**18. STATEMENT OF FUNDS (continued)**

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

**RESTRICTED FUNDS**

The General Annual Grant (GAG) - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Rates Reimbursement - Income from the EFA to reimburse the Academy for rates expenditure.

Universal Infant Free School Meals (UIFSM) - Funding from the EFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Pupil Premium - Funding received from the EFA during the year for children that qualify for free school meals to enable the school to address the current underlying inequalities between those children and their wealthier peers.

PE Grant - Funding received from the EFA to improve the PE and sport provision, for the benefit of primary aged pupils, so that they develop healthy lifestyles.

Devolved Formula Capital (DFC) - Funding received from the EFA to cover maintenance and the purchase of the academy's assets. During the year £6,897 (2016: £5,852) was transferred to the restricted fixed asset fund to represent fixed assets purchased from devolved formula capital funding.

Local Authority - Includes High Needs funding to fund further support for pupils with additional needs and additional Pupil Premium funding received from the Local Authority.

Donations (school trips) - Contributions towards school trips.

Donations (PTA and other) - Monies given to the school from the PTA and local donors. This was spent during the year on educational trips and equipment.

The Equal Pay Loan is amounts due to Swindon Unitary Authority and arose to fund the salaries paid to certain employees following disputes on equal pay. Previously this amount has been included within General Annual Grant funds, however upon review this year the Trustees consider separate presentation to be more appropriate.

Pension Reserve - The defined benefit pension scheme fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy from the Local Authority.

Fixed assets purchased from restricted funds represents amounts spent on fixed assets from GAG and DFC received from the EFA and other restricted donations.

**OTHER INFORMATION**

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 2017.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,230,986	1,230,986
Current assets	25,147	146,538	-	171,685
Creditors due within one year	(12,535)	(68,719)	-	(81,254)
Creditors due in more than one year	-	(31,007)	-	(31,007)
Pension scheme liability	-	(108,000)	-	(108,000)
	<u>12,612</u>	<u>(61,188)</u>	<u>1,230,986</u>	<u>1,182,410</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	1,260,630	-	-	1,260,630
Current assets	138,044	-	-	138,044
Creditors due within one year	(73,732)	-	-	(73,732)
Creditors due in more than one year	(33,043)	-	-	(33,043)
Provisions for liabilities and charges	(159,000)	-	-	(159,000)
	<u>1,132,899</u>	<u>-</u>	<u>-</u>	<u>1,132,899</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(18,489)	(18,319)
<b>Adjustment for:</b>		
Depreciation charges	40,166	31,312
Dividends, interest and rents from investments	(85)	(136)
Decrease in debtors	7,894	2,709
Increase/(decrease) in creditors	7,522	(37,625)
Capital grants from DfE and other capital income	(9,277)	(5,852)
Defined benefit pension scheme cost less contributions payable	14,000	2,000
Defined benefit pension scheme finance cost	3,000	3,000
Interest paid	1,130	1,285
<b>Net cash provided by/(used in) operating activities</b>	<u>45,861</u>	<u>(21,626)</u>

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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>156,234</b>	<b>114,699</b>
	<b><u>156,234</u></b>	<b><u>114,699</u></b>

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**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 Wiltshire Pension Fund. 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 August 2017.

Contributions amounting to £7,291 were payable to the schemes at 31 August 2017 (2016: 8,774) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £37,896 (2016: £49,295).

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

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**22. PENSION COMMITMENTS (continued)**

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 2017 was £29,759 (2016: £24,453), of which employer's contributions totalled £23,695 (2016: £19,089) and employees' contributions totalled £6,064 (2016: £5,364). The agreed contribution rates for future years are 23.8% for employers and 5.5% - 12.5% 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.50 %	2.00 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.9

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**22. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2017 £</b>	<b>Fair value at 31 August 2016 £</b>
Equities	193,120	120,960
Corporate bonds	38,080	25,200
Property	35,360	20,160
Cash and other liquid assets	5,440	1,680
<b>Total market value of assets</b>	<b>272,000</b>	<b>168,000</b>

The actual return on scheme assets was £27,000. (2016: £21,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2017 £</b>	<b>2016 £</b>
Current service cost	(40,000)	(25,000)
Interest income	5,000	7,000
Interest cost	(8,000)	(10,000)
<b>Total</b>	<b>(43,000)</b>	<b>(28,000)</b>

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

	<b>2017 £</b>	<b>2016 £</b>
Opening defined benefit obligation	371,000	256,000
Current service cost	40,000	25,000
Interest cost	8,000	10,000
Employee contributions	6,000	5,000
Actuarial (gains)/losses	(40,000)	80,000
Benefits paid	(5,000)	(5,000)
<b>Closing defined benefit obligation</b>	<b>380,000</b>	<b>371,000</b>



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**22. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	212,000	168,000
Interest income	5,000	7,000
Actuarial losses	28,000	14,000
Employer contributions	26,000	23,000
Employee contributions	6,000	5,000
Effect of non-routine settlements	(5,000)	(5,000)
Closing fair value of scheme assets	272,000	212,000

**23. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	4,642	5,017
Between 1 and 5 years	-	4,642
Total	4,642	9,659

**24. 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.

**25. 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 organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year, the academy was charged £50,296 (2016: £56,649) in relation to catering services and £11,197 (2016: £17,294) in relation to caretaking, finance and other services from Highworth Warneford School. R James is a trustee of both this academy and Highworth Warneford School. At the year end £12,535 (2016: £Nil) was owed to Highworth Warneford School, this amount is shown in trade creditors.

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