

Registered number: 08131708 (England and Wales)

BRANSTON JUNIOR ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Mr A Plant
Mr S Telfer (resigned 20 September 2017)
Mr R Openshaw

Governors

Mr S Harris (resigned 7 December 2016)
Miss L Perkins
Miss A Kisby
Mr D Kelly (appointed 14 December 2016, resigned 4 October 2017)
Mr M Pursey
Mrs J Whitehouse
Mrs R Shaw, Head Teacher and Accounting Officer
Mr S Telfer, Vice Chair
Mr R Openshaw, Chair of Governors
Mr S Hewkin (appointed 14 December 2016)
Mr A Plant (resigned 21 September 2016)
Dr J Winn (appointed 14 December 2016)

Company registered number

08131708

Company name

Branston Junior Academy

Principal and registered office

15 Station Road, Lincoln, LN4 1LH

Senior management team

Mrs R Shaw, Head Teacher
Miss L Perkins, Deputy Head
Mrs J Whitehouse, School Business Manager

Independent auditors

Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, Lincolnshire, LN1 1XW

Bankers

Lloyds Bank PLC, 202 High Street, Lincoln, LN5 7AP

Solicitors

Wilkin Chapman LLP, The Maltings 11-15, Brayford Wharf East, Lincoln, LN5 7AY

BRANSTON JUNIOR ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The Trust operates as an Academy for pupils aged 7-11 serving a catchment area of Branston and surrounding areas. It has a pupil capacity of 180 and had a roll of 142 on the school census at Autumn 2016.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the academy trust.

The Governors of Branston Junior Academy are also the directors of the charitable company for the purpose of company law.

Details of the Governors who served during the are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

c. GOVERNORS' INDEMNITIES

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £1,000,000.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Governors nominated should as far as reasonably possible be from the community, parents at the school or elected staff representatives. All vacancies are advertised on the website or in the school newsletters. If ballots are required, nominees submit appropriate supporting text, ballot forms are sent out to each parent or carer with clear instruction, situation of ballot box and submission date for final count. Parents are elected for a four year period, as are three staff representatives.

All governors can nominate co-optees if and when a need is established by the full body. The following structure and procedures are implemented as presented in the Academy articles of association.

The governors may appoint as many governors as they deem appropriate with a minimum of 3 governors save that there shall be no more than three employees of the Academy Trust (excluding the head teacher) appointed as governors.

The head teacher shall be treated for all purposes as being an ex officio governor.

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

(i) Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he is elected.

(ii) The governing body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of parent governors which is contested shall be held by secret ballot.

(iii) The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

(iv) Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

(v) The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

(vi) In appointing a parent governor the governing body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

A new governor will attend a briefing with the head teacher and chair of governors. The governor will be given a full tour of the school and such documents and policies as required.

f. ORGANISATIONAL STRUCTURE

The governors defined a separation of duties between the governors, head teacher and senior leadership team in agreement with the full governing body, on 17 September 2015.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees have Pay Committee which meet once per year to listen to evidence and information offered by the headteacher, before making any decisions regarding pay. Advice and guidance is always sought from the HR Team at Judicium with regards to any pay decisions and/or remuneration of key management personnel.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

We are not a federated organisation.

There are no relationships with related parties and any other charities/ companies/ organisations with which it cooperates in the pursuit of charitable activities.

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

Objectives and Activities

a. OBJECTS AND AIMS

Our Mission Statement is:

"One building, one school, one voice, one vision"

- Inspire: We inspire your child to enjoy and succeed throughout their learning journey.
Explore: We enable your child to meet exciting opportunities, be part of the shared adventure and have the confidence to try something new.
Nurture: We generate an environment where emotional support is essential, allowing your child to achieve their full potential.

"One foundation, one community, one journey, one goal ... Learning is a habit for Life!"

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Teaching, Learning and Assessment

1. To continue to embed the robust, regular, accurate and effective use of the EAZMAG system and ensure that the assessment matches differentiation in planning and in books.
2. To explore and develop ways to keep parents clearly informed about the progress and attainment of their child, throughout the academic year.
3. To examine the effectiveness of homework that is sent out.
4. To monitor staff work/life balance and effectiveness of marking – ensuring written feedback is only used when it will 'move learning on'.

Personal Development, Behaviour and Welfare

1. To continue to develop Y2-3 and Y6-7 transition.
2. To explore ways in which other schools work to improve persistent sporadic absences and persistent lateness.
3. To continue to promote a regular anti-bullying message.
4. To agree a more cohesive ideology and pedagogy for BJA – 'The Branston Way' – and ensure this is understood by all stakeholders, ready for 17/18 launch.
5. To continue to develop the PSHE curriculum.
6. To continue to develop the SMSC curriculum.
7. To continue to explore ways to keep parents informed about school events throughout the academic year.
8. To continue to develop Staff skills, knowledge and understanding with regards to specific aspects for safeguarding.

Leadership and Management

1. To develop more effective CPD and JPD activities for staff, including creating individualised 'career plans'.
2. To investigate the impact of leadership styles, in light of greater autonomy (due to academisation), the need for greater collaboration and a continued reduction in external support services. (MA Dissertation).
3. To continue to develop robustness and effectiveness of 'Peer Review' and other collaborative partnerships.
4. To ensure consistency across the school and to support new and existing staff in whole school practices by developing "The BJA Manual"

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

Outcomes for Pupils

1. To continue to develop strategies to support individual children, particularly disadvantaged children, including collaboration with other schools; especially in light of ever-reducing support systems being available.
2. To achieve 'secure' attainment in Literacy skills, across the school.
3. To achieve 'secure' attainment in Numeracy skills, across the school.
4. To explore the use of the NAHT 'Primary Futures' scheme to raise aspirations in the children and to make links between future goals and current learning.
5. To continue to develop provision for 'The Arts', throughout the school.
6. To continue to develop IT provision within the school.
7. To continue to develop the school grounds.
8. To continue to develop effective International Links.

Engagement with families and community

1. To investigate ways of increasing the use of school facilities for the benefits of the local community.
2. To investigate the setting up of a Parent Fundraising Group and having a more structured timetable of events to raise money for specific projects.

OFSTED Targets: (March 2017)

Leaders and those responsible for governance should ensure that:

- All teachers provide more opportunities for pupils to develop problem-solving and reasoning skills, to ensure that they are making the progress of which they are capable in mathematics.
- Governors participate in relevant training so they are better equipped to hold senior leaders to account for their actions and the performance of the school.

OFSTED REPORT (March 2017)

- Pupil Premium funding is allocated and monitored closely. The senior leader responsible has an excellent overview of how the funding is spent on each pupil and the strong impact it is having on the Rio progress. Current assessment information provides by the school and work seen in books indicate that these pupils are making good progress in reading, writing and mathematics. Any pupils who are falling behind are identified quickly, and given the help they need.
- The teaching of science is a strength. Work seen in books shows that pupils are developing their knowledge and understanding in a wide range of scientific topics. Pupils have many opportunities to make predictions and carry out investigations.
- You have ensured that teachers are checking the consistency of their assessment of pupils' work every term. You are aware of the importance of also undertaking this moderation process with other schools, to make sure that the assessments teachers make are accurate.
- Teaching assistants are generally deployed well across the school. They support pupils of all abilities in a wide range of subjects. Consequently, pupils are given the support they need to help them reach their full potential.
- Pupils enjoy the responsibility of being elected to the school council and becoming house captains, others become junior road safety officers and lead safety assemblies.
- Pupils enjoy the wide range of extra-curricular clubs that are on offer.
- Parents are kept well informed of the school and its work through its website, frequent letters, newsletters, Twitter and Facebook. Parents receive detailed end-of-year reports that outline pupils' attainment and progress and give targets for future improvement.
- Parents with whom I spoke before schools and those that responded to the Ofsted questionnaire, are overwhelmingly supportive of the school. They say that children are safe, happy and are making good progress. One parent told me, 'I have found this school to be first class.'

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

c. PUBLIC BENEFIT

In line with the requirement of the SORP, the governors can confirm they have had due regard to the definition of 'public benefit' and are proud to define them within the school context.

Strategic report

a. ACHIEVEMENTS AND PERFORMANCE

This is a 'good' academy; as graded by OFSTED in March 2017. It is one in which attainment is above average and all groups of pupils achieve well. Pupils enjoy coming to the academy and benefit from an attractive, welcoming and supportive learning environment.

OFSTED's summary stated that:

- The leadership team has maintained the good quality of education in the school since the last inspection. You have implemented robust policies and procedures that have enabled you to examine different aspects of the School and its provision in detail. You are thorough in the analysis of the school's strengths and areas for development. As a result, your self-evaluation is accurate and your plans for school improvement are clear and concise.
- The school has a warm and welcoming atmosphere where pupils work hard and make good progress in a variety of subjects. Relationships between staff and pupils are strong. Pupils told me that they are happy at the school and feel safe, both inside and outside when playing on the playground. You and the other staff have helped to create a culture where 'learning is a habit for life'.
- The senior leaders responsible for English has recently introduced an approach to guided reading that aims to improve pupils' vocabulary and comprehension skills. This has been successful and assessment information provided by the school indicates that the vast majority of pupils are on track to reach age-related standards in reading by the end of this academic year.

Achievements and Performance

We are proud of all the achievements of each one of our pupils and staff. In particular, we offer our congratulations for the following:

Sport:

The football and netball teams have competed in local leagues and sports festivals, playing against children from other schools. In recognition of the excellent range of sport and other physical activity available at the academy, it was awarded the Active Mark in 2009 and we are currently seeking new achievements to secure, as we believe the range of excellent sporting activities we offer is a success of the school.

Dance, Drama, Music and Filming:

Our Creative Arts activities have involved the children in a range of competitive and non-competitive events. Every year some of our pupils enter the Lincoln Music and Drama Festival as part of a band, a choir or a drama group; and we have several trophies and certificates to show how well we have done! We regularly hold concerts so that parents / carers can see just how talented we are! The quality of the Arts provision in the Academy has led to us being awarded the Arts Mark Gold in 2009 and again in 2012.

All children learn how to use animation software and in previous years, we entered the LAFTAs, (Lincolnshire School Films Award). In 2009, several films were nominated for the LAFTA's and in 2010, one of our films won an award for 'best in category' and 'best film overall'. In 2011 three of our films were nominated and two of them

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

won awards! Our 2014 film entries won us a free visit to RAF Cosford, for the whole of our Year 6 cohort! Another of our 2014 entries was nominated for an award at the 2015 LAFTAs. As the LAFTAs has now ceased, we are always looking for ways in which we can showcase the children's IT skills but particularly their animation skills.

Other Awards:

As a culmination of many activities and events over the years, the Academy has been awarded the Healthy Schools Award in 2009, the 'Food for Life' Bronze Award in 2011 and the Eco Schools Bronze Award in 2010.

Working with the Community:

The children love to support the community, be it locally - with school and community events; or nationally – by supporting national charities etc. Many activities take place within the school, to promote the children's awareness of the international community, of which they are a valuable member, and as such the school was awarded the Full International School's Award (Foundation Level) in 2011 and again in 2014. We are very proud of the superb international work that the children and staff of Branston Juniors gets involved in.

a. KEY PERFORMANCE INDICATORS

The governors are pleased to present achievement and performance context and outcomes in all aspects of school provision.

Attendance for the year

Attendance	96.37%
Authorised Absences	3.49%
Unauthorised Absences	0.14%

Pupil provision

Total pupils in the year to 31st August 2017 is

Teacher	Year Group	Number in Year Group
Mr Kisby	Y5/6	Year 6: 39
Miss Perkins	Y5/6	Year 5: 36
Miss Tysoe	Y5/6	
Mrs Simpson / Mrs James	Y3/4	Year 4: 31
Mr Simpson	Y3/4	Year 3: 40
Mrs Openshaw	Y3/4	

Academic results / SATs results for 2016

Our Year 6 pupils take part in the National SATs tests for Reading, Maths and SPAG (Spelling, Punctuation and Grammar), every year. The children's writing is also assessed by their Class Teachers and in 2016 (and previously in 2012) these assessments were officially moderated as per usual guidelines.

In 2016 the new SATs tests were introduced, which means that children's attainment is no longer measured per levels. The children are now given a 'scaled score' for Reading, Maths and SPAG, which correlates with their raw score. A scaled score of 100 or above is classed as 'age expected'. A scaled score of below 100 means the child has not achieved 'age expected'.

The average scaled score of our reading was 103, compared to the national figure of 103. Our average scaled score for Maths was 105, compared to national of 103 and our average scaled score for SPAG was 105, compared to national of 104.

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For 2016, the percentage of children achieving age expected is:

Subject	Branston Junior Academy	National
Reading, Writing & Maths combined	64.9%	53%
Reading	68.0%	66%
Writing	76.0%	74%
Maths	84.0%	70%
Spelling, Punctuation & Grammar (SPaG)	78.0%	72%

Achievement and Performance

Exclusions: 1 sessions (0.5 days) recorded this year

Racist incidents: 0 recorded this year

Bullying incidents: 0 recorded this year

b. GOING CONCERN

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

Financial review

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial report for the period

The majority of the Academy's income is from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31st August 2017 and the associated expenditure are shown in the statement of financial activities.

At 31st August 2017, the net book value of fixed asset was £1,519,422. The assets were used exclusively for providing education and the associated services to the students of the Academy.

Financial position

The Academy held fund balances at 31st August 2017 of £1,425,013, comprising £173,684 of restricted funds, a pension reserve deficit of £345,000, £76,907 of unrestricted general funds and £1,519,422 in a fixed asset fund.

b. RESERVES POLICY

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the trustees discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

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.

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FOR THE YEAR ENDED 31 AUGUST 2017

The trustees have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure (trustees to review), approximately £30,000. 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. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £250,591 which is less than is needed. The Academy intends to continue building up free reserves to the level needed. Trustees to review

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £173,684.

c. INVESTMENT POLICY

The school holds no investments other than its capital balance.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The following "risk areas" are identified by the governors as follows:-

- Site health and safety
- Fire safety
- Disability access
- Critical Incident Policy/Management Plan
- Whistle blowing policy
- Behaviour and Anti-bullying policy
- Educational Visits Policy
- Finance policy
- Safeguarding and Child Protection policy
- Staff handbook
- First Aid

These areas of risk are regularly reviewed by all relevant staff, the senior management team, the governing body and by both the Standards Committee and Resources Committee. Any changes to risk policies must be approved by governors and signed off.

The Safeguarding and Child Protection Policy, and both the fire safety and first aid risks require full training certification.

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

The following finance policies and registers were adopted by the Academy this year. They are in place and available, and are reviewed annually:

- Register of business interests register
- Best value statement
- Charging and remissions policy
- Financial procedures
- Whistle blowing policy
- Five year finance model
- School Development Plan
- Statement of internal control

The governors ensure that the school completes a full five year plan and models future expenditure and pupil numbers. The Resources Committee meet 6 times during a financial year. Budgets are set at a resources committee meeting and ratified by the full governing body annually. All finance meetings are fully documented and minutes sent to all governors. The trust appointed the services of a Responsible Officer from 31st October 2013 who reviews financial practice throughout the year and report directly to the trustees. A full external audit is carried out by Streets.

The principal financial risks to the trust, comprises sudden change in expected pupil numbers (ESFA GAG Income), cash and short term deposits, increase in bought back services, energy costs, reducing LACSEG payments, company failure debt and inappropriate behaviour outside agreed procedures.

The trust does not use any funding streams for speculative purposes.

Risk Management

The trust makes every reasonable effort to anticipate changes in the patterns of pupil numbers, making forward predictions from Year 3 upwards and Reception to Year 2 in conjunction with Branston Infant School.

Capital management/Liquidity risks

The Trust Resources Committee reviews the schools on-going liquidity risks annually as part of the planning process and on an ad hoc basis. The committee considers short-term requirements against available sources of funding taking into account forecast cash flow.

Monthly reconciliation of bank statements by the School Administrator ensures that liquidity risks are known and can be accepted.

The trust has selected a current account with deposit account which offers 0.375% per annum return.

Credit Risk

Currently the academy does not enter into credit agreements and the head teacher and deputy hold a debit card for use with Barclays Bank. The photocopier is leased as are the 2 drinking water stations.

Debt risk

This is extremely low. When the debt is deemed irrecoverable, the allowance account is written off against the underlying receivable.

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

Other financial assets and Cash balances on site

The trust may hold significant cash balances as part of its normal operations, with the amount of cash held at any point reflecting the level of cash flow generated by the school. Banking occurs when large intakes for visits, trips or collections; hot school meal orders and sale of school sweatshirts, rucksacks and water bottles have been received and insurance cover determines what balances may be securely held in school.

Acute Energy Costs and poor weather

The trust purchases oil via ESPO contracted supplier, the scale of their purchases ensures that they are the most competitive rates available and their environmental policies ensure that the sources are ethical. Cold winters have a considerable effect on the costs and as electricity costs have increased the academy has used an agent to source the best tariff on a fixed term basis with effect from October 2013 and continues to fixed terms.

Capital assets

The building is well maintained and the Head Teacher and the governor responsible for Health & Safety inspects and reports regularly to the trustees. The Caretaker reports directly to the head teacher on maintenance issues which in turn are reported termly to trustees/governors. The academy purchases the Property Services buy back to support statutory regulations. The trust purchases advice and support through Judicium on policies and issues with regard to Health & Safety.

Theft, vandalism and fire

The academy has comprehensive insurance against fire, vandalism and theft. Access control and well maintained fencing ensures the sites security to a good standard. The academy contract Static Services to act as key holder and attend site after school hours if the alarm is triggered.

Key Financial Performance Indicators Statement

The governors look to minimise and ensure good value for money by competitive tendering and "best value" ordering processes. The funding allocated by the DfE through General Aggregated Grant or Local Authority CSE Grant is intended for expenditure in keeping with the school key objectives. We deliver education and beyond ensuring that performance is a non-profit organisation.

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

Plans for future periods

a. FUTURE DEVELOPMENTS

Teaching, Learning and Assessment

1. To carry out moderation with other local schools.
2. To provide more opportunities for problem solving in Maths (Ofsted Target).
3. To ensure the calculation policy is applied consistently.
4. To apply the use of White Rise Maths Hub resources.
5. To re-emphasise the importance of times tables across the school.
6. To improve the use of ICT across the curriculum.
7. To provide more opportunities to use SPAG skills in extended writing.
8. To embed the changes to Homework Policy and Practice.
9. To continue to improve pupil's spelling and exploring other ways of teaching spelling.
10. To develop extended writing opportunities across the curriculum.
11. To embed the use of whole class reading in Year 3 / 4.
12. To update PSHE teaching and ensure it is engaging and encouraging children to apply the 5R's.

Personal Development, Behaviour and Welfare

1. To ensure greater knowledge of different faiths.
2. To introduce and establish the use of the 5R's, the new Code of Conduct, new Mission Statement, the use of the new Planners and new reward systems.

Leadership and Management

1. To provide training activities for Governors (Ofsted Target).
2. To provide support for our Aurum Student and our Newly Qualified Teacher (NQT) during 17/18.
3. To feedback the overall findings and specific impact of the 3-year Erasmus+ 'managing for @ School of Success' project.

Outcomes for Pupils

1. To encourage greater 'reading for pleasure' through working with schools in other countries. (Erasmus+ project).
2. To introduce setting in Year 3 / 4 maths to encourage more focussed teaching on Year Group appropriate objectives.
3. To carefully and regularly monitor the progress and attainment of children undertaking the Year 4 Curriculum; particularly Maths, Writing and SpAG.

Engagement with Families and Community

1. To embed the usage of different forms of communication with parents – Twitter, email, Facebook, letters, website, TXTRound.
2. To introduce and establish the use of local Community projects which children can get involved in.
3. To continually raise the profile of the school through the use of all forms of local publicity.
4. To continually seek ways to reduce costs, improve efficiency and raise funds through activities hiring out school facilities.

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GOVERNORS' REPORT (continued)
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FUNDS HELD AS CUSTODIAN

The academy holds no funds as Custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 6 December 2017 and signed on its behalf by:

Dr J Winn
Chair of Governors



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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of Governors 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 Branston Junior Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 7 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr S Harris	0	1
Miss L Perkins	5	7
Miss A Kisby	7	7
Mr D Kelly	4	5
Mr M Pursey	4	7
Mrs J Whitehouse	7	7
Mrs R Shaw, Head Teacher and Accounting Officer	7	7
Mr S Telfer, Vice Chair	4	7
Mr R Openshaw, Chair of Governors (until 04/10/2017)	7	7
Mr S Hewkin	4	5
Mr A Plant	7	7
Dr J Winn, Chair of Governors (from 04/10/2017)	4	5

The Resources committee is a sub-committee of the main board of Governors. Its purpose is to ensure financial regularity.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr M Pursey	4	4
Mr R Openshaw, Chair of Governors	4	4
Mr S Hewkin	2	2
Mr S Harris	1	1
Mrs R Shaw, Head Teacher and Accounting Officer	4	4
Mrs J Whitehouse	3	4
Miss L Perkins	3	4
Miss A Kisby	3	4

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GOVERNANCE STATEMENT (continued)

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.

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 Governors 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:

- Tasking the Business manager to examine all contracts, to ensure best value. Where reductions in costs could be made, these were presented to the Governing Body, who then made decisions as to changing the contracts or not.
- The 5 Year Plan was examined and discussions held as to how to prepare for a reduction in future finances due to predicted lower numbers of pupils.

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 Branston Junior Academy 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 Governors 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 Governors 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 Governors.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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 Governors;
- regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed a bookkeeper from our accountants to support the reconciliation of the Academy's accounts and check for discrepancies.

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 peer reviewer;
- 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 Resources 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 Governors on 6 December 2017 and signed on their behalf, by:


Dr J Winn
Chair of Governors


Mrs R Shaw
Accounting Officer

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mrs R Shaw
Accounting Officer

Date: 06/12/2017

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 6 December 2017 and signed on its behalf by:

Dr J Winn
Chair of Trustees



BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON JUNIOR ACADEMY**

OPINION

We have audited the financial statements of Branston Junior Academy for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON JUNIOR ACADEMY**

OTHER INFORMATION

The Governors 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 Governors' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' report including the Strategic 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 Governors' 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 Governors' responsibilities, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the academy's or to cease

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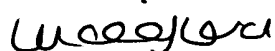
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BRANSTON JUNIOR ACADEMY**

operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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. The description forms part of our Auditor's report.



Linda Lord (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Tower House
Lucy Tower Street
Lincoln
Lincolnshire

LN1 1XW

Date: 15 December 2017

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRANSTON JUNIOR ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 June 2016 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 Branston Junior Academy 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 Branston Junior Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston Junior Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Branston Junior Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BRANSTON JUNIOR ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Branston Junior Academy's funding agreement with the Secretary of State for Education dated 5 July 2012, 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.

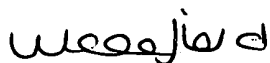
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

BRANSTON JUNIOR ACADEMY
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRANSTON JUNIOR ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 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.



Linda Lord

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Date: 15 December 2017

BRANSTON JUNIOR ACADEMY
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**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 £
INCOME FROM:						
Donations and capital grants	2	11,603	-	5,574	17,177	14,770
Charitable activities	3	-	647,130	-	647,130	688,578
Other trading activities	4	14,527	7,464	-	21,991	14,286
Investments	5	162	-	-	162	327
TOTAL INCOME		26,292	654,594	5,574	686,460	717,961
EXPENDITURE ON:						
Charitable activities		13,494	671,184	45,289	729,967	752,710
TOTAL EXPENDITURE	6	13,494	671,184	45,289	729,967	752,710
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		12,798	(16,590)	(39,715)	(43,507)	(34,749)
Transfers between Funds	15	-	(14,476)	14,476	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		12,798	(31,066)	(25,239)	(43,507)	(34,749)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	92,000	-	92,000	(112,000)
NET MOVEMENT IN FUNDS		12,798	60,934	(25,239)	48,493	(146,749)
RECONCILIATION OF FUNDS:						
Total funds brought forward		64,109	(232,250)	1,544,661	1,376,520	1,523,269
TOTAL FUNDS CARRIED FORWARD		76,907	(171,316)	1,519,422	1,425,013	1,376,520

The notes on pages 27 to 46 form part of these financial statements.

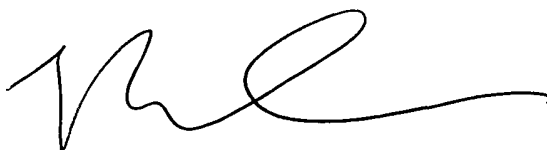
BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08131708

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		1,519,422		1,544,661
CURRENT ASSETS					
Stocks	12	736		940	
Debtors	13	35,925		27,261	
Cash at bank and in hand		265,329		254,729	
		<u>301,990</u>		<u>282,930</u>	
CREDITORS: amounts falling due within one year	14	(51,399)		(41,071)	
NET CURRENT ASSETS			250,591		241,859
TOTAL ASSETS LESS CURRENT LIABILITIES			1,770,013		1,786,520
Defined benefit pension scheme liability	19		(345,000)		(410,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,425,013</u>		<u>1,376,520</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	173,684		177,750	
Restricted fixed asset funds	15	1,519,422		1,544,661	
Restricted income funds excluding pension liability		1,693,106		1,722,411	
Pension reserve		<u>(345,000)</u>		<u>(410,000)</u>	
Total restricted income funds			1,348,106		1,312,411
Unrestricted income funds	15		76,907		64,109
TOTAL FUNDS			<u>1,425,013</u>		<u>1,376,520</u>

The financial statements on pages 24 to 46 were approved by the Governors, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:

Dr J Winn
Chair of Governors



BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	19,957	35,645
Cash flows from investing activities:			
Dividends, interest and rents from investments		162	327
Purchase of tangible fixed assets		(15,094)	-
Capital grants from DfE/ESFA		5,575	5,586
Net cash (used in)/provided by investing activities		(9,357)	5,913
Change in cash and cash equivalents in the year		10,600	41,558
Cash and cash equivalents brought forward		254,729	213,171
Cash and cash equivalents carried forward	18	265,329	254,729

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

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 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.

Branston Junior Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

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 appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Leasehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

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

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Debtors

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

1.8 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.

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.11 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.

1.12 Pensions

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

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

1. ACCOUNTING POLICIES (continued)

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

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

1.13 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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.

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1. ACCOUNTING POLICIES (continued)

1.14 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.15 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 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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.

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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	11,603	-	-	11,603	9,184
Capital grants	-	-	5,574	5,574	5,586
	<u>11,603</u>	<u>-</u>	<u>5,574</u>	<u>17,177</u>	<u>14,770</u>
<i>Total 2016</i>	<u>9,184</u>	<u>-</u>	<u>5,586</u>	<u>14,770</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	558,406	558,406	583,465
Pupil Premium	-	47,981	47,981	47,514
Other DfE/EFA Grants	-	8,700	8,700	8,705
Special Educational Projects	-	7,762	7,762	-
	<u>-</u>	<u>622,849</u>	<u>622,849</u>	<u>639,684</u>
Other government grants				
Local Authority Grants	-	24,281	24,281	27,441
	<u>-</u>	<u>24,281</u>	<u>24,281</u>	<u>27,441</u>
Other funding				
Other income	-	-	-	21,453
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,453</u>
	<u>-</u>	<u>647,130</u>	<u>647,130</u>	<u>688,578</u>
<i>Total 2016</i>	<u>-</u>	<u>688,578</u>	<u>688,578</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	1,000	-	1,000	363
Catering income	-	7,464	7,464	8,242
Sale of goods	1,537	-	1,537	1,614
Other income	11,990	-	11,990	4,067
	<u>14,527</u>	<u>7,464</u>	<u>21,991</u>	<u>14,286</u>
<i>Total 2016</i>	<u>6,044</u>	<u>8,242</u>	<u>14,286</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	162	-	162	327
	<u>162</u>	<u>-</u>	<u>162</u>	<u>327</u>
<i>Total 2016</i>	<u>327</u>	<u>-</u>	<u>327</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational operations:					
Direct costs	431,778	-	41,486	473,264	481,099
Support costs	90,699	51,838	114,166	256,703	271,611
	<u>522,477</u>	<u>51,838</u>	<u>155,652</u>	<u>729,967</u>	<u>752,710</u>
<i>Total 2016</i>	<u>522,318</u>	<u>57,885</u>	<u>172,507</u>	<u>752,710</u>	

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FOR THE YEAR ENDED 31 AUGUST 2017

7. CHARITABLE ACTIVITIES

	Total funds 2017 £	<i>Total funds 2016 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	348,769	356,480
National insurance	27,404	24,201
Pension cost	60,605	53,313
Educational supplies	20,641	15,305
Staff development	2,227	6,429
Educational services	5,550	17,960
Other costs	8,068	7,411
	<u>473,264</u>	<u>481,099</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	53,935	64,137
National insurance	3,274	4,147
Pension cost	28,490	20,040
Depreciation	39,715	40,779
Pension income	8,000	11,000
Technology costs	12,328	12,323
Maintenance of premises and equipment	9,699	26,761
Cleaning	15,707	8,938
Rent and rates	3,319	3,426
Energy costs	9,297	9,380
Insurance	19,390	15,845
Operating Leases	7,273	5,880
Catering	9,831	12,143
Other costs	9,381	6,144
Other staff costs	8,605	4,698
Professional fees and services	18,459	25,970
	<u>256,703</u>	<u>271,611</u>
	<u><u>729,967</u></u>	<u><u>752,710</u></u>

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8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	398,191	398,469
Social security costs	30,678	28,348
Operating costs of defined benefit pension schemes	89,095	73,353
	<u>517,964</u>	<u>500,170</u>
Supply teacher costs	4,513	22,148
	<u>522,477</u>	<u>522,318</u>

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

	2017	2016
Teachers	8	8
Admin and Support	13	16
Management	1	1
	<u>22</u>	<u>25</u>

No employee received remuneration amounting to more than £60,000 in either year.

(d) Key Management Personnel

The key management personnel of the charity comprises the governors and senior management team (including the school business manager) as listed on page 1. The total amount of employee benefits (including pension contributions) received by management personnel was £185,074 (2016:£146,000).

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FOR THE YEAR ENDED 31 AUGUST 2017

9. GOVERNORS' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
Mrs R Shaw	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs J Whitehouse	Remuneration	25,000-30,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Miss A Kisby	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Miss L Perkins	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2017, expenses totalling £216 (2016 - £271) were reimbursed to 3 Governors (2016 - 3).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £103 (2016 - £250).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	1,625,000	29,646	18,676	1,673,322
Additions	-	8,539	6,555	15,094
Disposals	-	-	(1,005)	(1,005)
At 31 August 2017	1,625,000	38,185	24,226	1,687,411
Depreciation				
At 1 September 2016	99,400	14,671	14,590	128,661
Charge for the year	28,400	8,123	3,192	39,715
On disposals	-	-	(387)	(387)
At 31 August 2017	127,800	22,794	17,395	167,989
Net book value				
At 31 August 2017	1,497,200	15,391	6,831	1,519,422
At 31 August 2016	1,525,600	14,975	4,086	1,544,661

Included in long leasehold property is leasehold land at valuation of £205,000 (2016: £205,000) which is not depreciated.

12. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	736	940

13. DEBTORS

	2017 £	2016 £
Trade debtors	341	937
VAT Debtor	2,964	2,083
Other debtors	-	281
Prepayments and accrued income	24,666	16,103
Grants Receivable	7,954	7,857
	35,925	27,261

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14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	17,569	18,195
Other creditors	19,224	15,083
Accruals and deferred income	14,606	7,793
	<u>51,399</u>	<u>41,071</u>

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	64,109	26,292	(13,494)	-	-	76,907
Restricted funds						
General Annual Grant (GAG)	145,138	558,406	(531,929)	(14,476)	-	157,139
Other ESFA/DFE	7,857	56,681	(56,681)	-	-	7,857
Other income	24,755	39,507	(55,574)	-	-	8,688
Pension reserve	(410,000)	-	(27,000)	-	92,000	(345,000)
	<u>(232,250)</u>	<u>654,594</u>	<u>(671,184)</u>	<u>(14,476)</u>	<u>92,000</u>	<u>(171,316)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	1,544,661	-	(39,715)	14,476	-	1,519,422
Devolved Formula Capital	-	5,574	(5,574)	-	-	-
	<u>1,544,661</u>	<u>5,574</u>	<u>(45,289)</u>	<u>14,476</u>	<u>-</u>	<u>1,519,422</u>
Total restricted funds	<u>1,312,411</u>	<u>660,168</u>	<u>(716,473)</u>	<u>-</u>	<u>92,000</u>	<u>1,348,106</u>
Total of funds	<u>1,376,520</u>	<u>686,460</u>	<u>(729,967)</u>	<u>-</u>	<u>92,000</u>	<u>1,425,013</u>

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	60,947	15,555	(12,393)	-	-	64,109
	<u>60,947</u>	<u>15,555</u>	<u>(12,393)</u>	<u>-</u>	<u>-</u>	<u>64,109</u>
Restricted funds						
General Annual Grant (GAG)	69,009	583,465	(512,922)	5,586	-	145,138
Other ESFA/DFE	73,458	56,219	(121,820)	-	-	7,857
Government grant	1,433	27,441	(28,874)	-	-	-
Other income	10,982	29,695	(15,922)	-	-	24,755
Pension reserve	(278,000)	-	(20,000)	-	(112,000)	(410,000)
	<u>(123,118)</u>	<u>696,820</u>	<u>(699,538)</u>	<u>5,586</u>	<u>(112,000)</u>	<u>(232,250)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	1,585,440	-	(40,779)	-	-	1,544,661
Devolved Formula Capital	-	5,586	-	(5,586)	-	-
	<u>1,585,440</u>	<u>5,586</u>	<u>(40,779)</u>	<u>(5,586)</u>	<u>-</u>	<u>1,544,661</u>
Total restricted funds	<u>1,462,322</u>	<u>702,406</u>	<u>(740,317)</u>	<u>-</u>	<u>(112,000)</u>	<u>1,312,411</u>
Total of funds	<u>1,523,269</u>	<u>717,961</u>	<u>(752,710)</u>	<u>-</u>	<u>(112,000)</u>	<u>1,376,520</u>

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

Unrestricted funds:

General funds- those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These have not been designated for particular purposes.

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15. STATEMENT OF FUNDS (continued)

Restricted funds:

General Annual Grant (GAG) - made up of a number of different funding streams from the ESFA, all of which are to be used to cover the running costs of the academy.

Other ESFA grants - represent ESFA grants received for specific purposes. Included in other ESFA grants is, pupil premium income and grants received for PE & Sports..

Other Government Grants - represents grants from other government bodies that are received for specific purposes.

Other restricted funds - represent other income received which must be used for specific purposes intended.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds:

Purchased tangible fixed assets - represents the net book value of fixed assets acquired using GAG income, local authority grants and DFC grants from the ESFA.

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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,519,422	1,519,422
Current assets	76,907	225,083	-	301,990
Creditors due within one year	-	(51,399)	-	(51,399)
Provisions for liabilities and charges	-	(345,000)	-	(345,000)
	<u>76,907</u>	<u>(171,316)</u>	<u>1,519,422</u>	<u>1,425,013</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	1,544,661	1,544,661
Current assets	64,109	218,821	-	282,930
Creditors due within one year	-	(41,071)	-	(41,071)
Provisions for liabilities and charges	-	(410,000)	-	(410,000)
	<u>64,109</u>	<u>(232,250)</u>	<u>1,544,661</u>	<u>1,376,520</u>

17. 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)	(43,507)	(34,749)
Adjustment for:		
Depreciation charges	39,715	40,779
Dividends, interest and rents from investments	(162)	(327)
Loss on the sale of fixed assets	618	-
Decrease in stocks	204	125
(Increase)/decrease in debtors	(8,664)	21,702
Increase/(decrease) in creditors	10,328	(6,299)
Capital grants from DfE and other capital income	(5,575)	(5,586)
Defined benefit pension scheme cost less contributions payable	19,000	9,000
Defined benefit pension scheme finance cost	8,000	11,000
Net cash provided by operating activities	<u>19,957</u>	<u>35,645</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	265,329	254,729
Total	<u>265,329</u>	<u>254,729</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. 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 Lincolnshire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £9,018 were payable to the schemes at 31 August 2017 (2016 - 7,401) 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 £43,000 (2016 - £40,000).

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19. PENSION COMMITMENTS (continued)

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

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 £26,000 (2016 - £31,000), of which employer's contributions totalled £22,000 (2016 - £24,000) and employees' contributions totalled £6,000 (2016 - £7,000). The agreed contribution rates for future years are 19.9% for employers and various% 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	2.40 %	2.00 %
Rate of increase in salaries	2.80 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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	22.1	22.2
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.5
Females	26.6	26.8

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate -0.5%	58,000	71,000
Salary increase +0.5%	5,000	23,000
Pension increase +0.5%	52,000	46,000

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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	254,000	217,000
Gilts	39,000	37,000
Corporate bonds	-	-
Property	29,000	28,000
Cash and other liquid assets	3,000	-
Total market value of assets	<u>325,000</u>	<u>282,000</u>

The actual return on scheme assets was £49,000 (2016 - £45,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(41,000)	(33,000)
Interest income	6,000	8,000
Interest cost	(14,000)	(19,000)
Total	<u>(49,000)</u>	<u>(44,000)</u>
Actual return on scheme assets	<u>49,000</u>	<u>45,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	692,000	489,000
Current service cost	41,000	33,000
Interest cost	14,000	19,000
Employee contributions	6,000	7,000
Actuarial (gains)/losses	(49,000)	149,000
Benefits paid	(34,000)	(5,000)
Closing defined benefit obligation	<u>670,000</u>	<u>692,000</u>

BRANSTON JUNIOR ACADEMY
(A company limited by guarantee)

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

19. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	282,000	211,000
Interest income	6,000	8,000
Actuarial losses	43,000	37,000
Employer contributions	22,000	24,000
Employee contributions	6,000	7,000
Benefits paid	(34,000)	(5,000)
	<u>325,000</u>	<u>282,000</u>
Closing fair value of scheme assets	<u>325,000</u>	<u>282,000</u>

20. 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 £
Amounts payable:		
Within 1 year	7,296	5,880
Between 1 and 5 years	21,471	10,780
Total	<u>28,767</u>	<u>16,660</u>

21. 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.

22. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 9.