

Company Registration Number: 08248063 (England and Wales)

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**



**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Members</b>	The Diocese of Leicester Educational Trust Rev R Gladstone The Venerable D Newman Mr R P M Rendall MBE
<b>Trustees</b>	Mr R P M Rendall MBE, Chair of Trustees <sup>1,2,3</sup> Mrs J Heath (resigned 14 September 2016) <sup>2,3</sup> Mrs D Clarke (resigned 12 September 2017) <sup>2</sup> Mr K Donaghey (resigned 5 June 2017) <sup>3</sup> Mrs E Moore, Headteacher <sup>1,2,3</sup> Dr N Moore <sup>1</sup> Mrs F Rendall <sup>2,3</sup> Mrs S Whitehead Mrs R Lehner Mear <sup>2</sup> Mr R O'Neill <sup>1</sup> Mrs A North Rose (appointed 16 September 2016) Mr N Hainsworth (appointed 14 September 2016) Rev Sister M A'Herne-Smith (appointed 15 September 2016) Mrs K Miller (appointed 11 January 2017)  <sup>1</sup> Finance and General Purposes Committee <sup>2</sup> Curriculum and Standards Committee <sup>3</sup> Safeguarding, Health and Safety Committee
<b>Company registered number</b>	08248063
<b>Company name</b>	Thrussington Church of England Primary School
<b>Principal and registered office</b>	Hoby Road Thrussington Leicester Leicestershire LE7 4TH
<b>Company secretary</b>	Mrs K Miller
<b>Senior management team</b>	Mrs E Moore, Headteacher
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Statutory Auditors 340 Melton Road Leicester LE4 7SL
<b>Bankers</b>	NatWest Plc 11 Western Boulevard Bede Island Leicester LE2 7EJ
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Thrussington. It has a pupil capacity of 77 and had a roll of 75 in the school census on 2 May 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

● **Constitution**

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

The Governors act as the Trustees for the charitable activities of Thrussington Church of England Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Thrussington Church of England Primary School. The charitable company was incorporated on 10 October 2012. The School converted to Academy status on 1 November 2012 when operations, assets and liabilities were transferred to the Academy from the Local Authority.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative details.

● **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.

● **Trustees' indemnities**

In accordance with normal practice the school has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under the policy is £3,000,000 and in the period under review this cost was £94.

● **Method of recruitment and appointment or election of Trustees**

Trustees are appointed as follows:

Parent Trustees      Through open election for all eligible parents or guardians of students who attend Thrussington Church of England Primary School.

Article 51

Subject to Article 57, the Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

Article 57

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

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

**Staff Trustees** Through open election for all eligible members of staff working at Thrussington Church of England Primary School.

Article 50A

The Members may appoint 1 Staff Trustee through such process as they may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

**Foundation Trustees**

Article 50

The Members shall appoint a minimum of 6 Trustees of whom 1 shall be the team vicar within the Fosse team ministry responsible for the parish of Thrussington ex officio; and 5 shall be appointed by the Diocese of Leicester Educational Trust from nominations made by Thrussington Parochial Church Council of whom 2 shall be eligible at the time of their election as parent Trustees.

**Co opted Trustees** The Trustees appointed under Article 50 with the consent of the Diocesan Board of Education may appoint up to 2 Co opted Trustees for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit.

● **Policies and procedures adopted for the induction and training of Trustees**

We expect all Trustees to undertake training as appropriate to their work at the school. New Trustees will be provided with an induction programme delivered partly in house and partly through external sources as required. A log is kept of all Trustees training and reviewed on a regular basis at Trustees meetings.

● **Organisational structure**

The Trustees determine the general policy of the school. The day to day running of the school is delegated to the Headteacher, supported by appropriate staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with appropriate staff. The day to day administration is undertaken within the policies and procedures approved by the Trustees which provide for only significant expenditure decisions and major capital projects to be referred to the Trustees for prior approval.

The Headteacher oversees the recruitment of all staff. The Headteacher is an ex officio Trustee, Principal Accounting Officer and endeavours to attend all meetings.

● **Pay policy for key management personnel**

The school implements Teachers Pay and Conditions. Performance Management is carried out by the Headteacher using Teachers Standards, each term and reported on to the Governing Body. Non-teaching staff are subject to performance management by the Headteacher. This influences the pay awards which are recommended to the Pay Committee by the Headteacher. The Pay Committee makes the decision, taking into account the financial position of the school.

The Headteacher's performance management is conducted by a Pay Committee. The Committee is supported by an external advisor, who is experienced as a School Improvement Partner with a number of local authorities and is also employed by Ofsted as a lead inspector. National Standards of Excellence for Headteachers is implemented. Attention is paid to the financial position of the school when performance related pay is considered, in consideration of any award.

**THRUSSTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

● **Connected organisations, including related party relationships**

The Headteacher is a Head of a National Teaching School, a National Support School, a member of a number of professional organisations and is a National Leader of Education and an Ofsted inspector all of which enable her to keep abreast of current educational matters and to collaborate with other outstanding schools to share expertise, knowledge and experience.

On 1st April 2014, Thrussington became a National Teaching School and is leading the STEP Teaching School Alliance – a separate legal entity for the purposes of driving high quality education for a considerable number of schools. In February 2015, Thrussington became a National Support School and is working to assist schools in their school improvement. Thrussington School was a member of the Syston and Thurmaston Educational Partnership but that, as a legal entity, was dissolved at the end of August 2016 as a result of the community schools, an integral part of the Trust, forming a Multi-Academy Trust and ceasing their legal entity. Thrussington School, along with others, is investigating the feasibility of forming a Multi-Academy Trust. Thrussington School remains a designated named school as a National Teaching School and as a designated National Support School.

The school has a connected charity, Parents Teachers Friends Association (P.T.F.A.) which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction the Parents, Teachers and Friends Charity raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets, for the benefit of the Academy.

**OBJECTIVES AND ACTIVITIES**

● **Objects and aims**

Thrussington Church of England Primary School Academy Trust's objective is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- to promote for the benefit of individuals living in Thrussington and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and within the object of improving the condition of the said individuals.

● **Objectives, strategies and activities**

**Mission Statement**

Thrussington Church of England Primary School is a place in which everyone is valued and cared for as an individual, where their views and culture are respected and is a place where children are at the centre of all that we do. We nurture the uniqueness of each individual within a happy, safe, stimulating and Christian environment, enabling them to meet their personal goals; to reach their full potential, intellectually, physically, socially, emotionally, morally and spiritually. Through a positive community ethos, we listen, engage and encourage confidence in order to prepare all learners for the future. It is our intention to provide a learning environment which inspires, encourages personal development; challenges and prepares everyone to take their place in an ever changing world.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

• **Activities for achieving objectives**

We aim to provide a caring, stimulating and safe school where achievements are celebrated and everyone is valued and shown respect.

We do this through providing:

- Children with a structure which enables them to question and evaluate all areas relating to their emotional and physical health and so make informed choices.
- A secure environment where everyone has a voice and is equipped with the life skills to keep themselves and others safe.
- An enjoyable, creative, relevant and evolving curriculum that will motivate children to become lifelong learners and encourage every child to find and develop their own personal strengths.
- Opportunities that will enable every child to nurture self-worth and develop skills to make a positive contribution to the community and where children, parents, school and the community work in mutually beneficial partnership.
- The highest quality teaching and learning to enable all children to reach their full potential and thus lay strong foundations for the future. To value ourselves, others and the environment through positive relationships, actions and attitudes.

• **Public benefit**

Thruslington Church of England Primary School Academy Trust is a charitable Trust which seeks to benefit the public throughout the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

• **Key educational performance indicators and review of activities**

The results are not comparable to test results from previous years which were under an entirely different system of assessment.

- The school's leadership has worked tirelessly to improve attendance and with significant success. For the period, attendance was 97.4% which is significantly high.

**Key Stage 2**

- This year's results are the second to be released following the introduction of a far more rigorous and curriculum that raises the bar in terms of expectations of children's mastery of English and Maths.
  1. 88.9% of pupils achieved the expected standard in Reading. The national average was 71.4%
  2. 100% of pupils achieved the expected standard in Writing. The national average was 76.3%
  3. 88.9% of pupils achieved the expected standard in Spelling, Punctuation and Grammar. The national average was 76.9%
  3. 77.8% of pupils achieved the expected standard in Mathematics. The national average was 74.8%

It should be noted that cohorts are very small at this school and that percentage outcomes have to be regarded in that context.

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

The school continues to be above floor and national standards.

Key Stage 1.

Reading: 71% met and exceeding.  
Writing: 71% met and exceeding.  
Maths: 79% met and exceeding.

Phonics at Year 1: 91% pass rate.

Phonics at Year 2 (re-takes): 50% pass rate.

It should be noted that cohorts are very small at this school and that percentage outcomes have to be regarded in that context e.g. one child could equate to 50%.

Thrussington School is a strategic partner to the University of Leicester, responsible for devising and delivering high quality Initial Teacher Training; is a National Teaching School, leading the STEP Teaching School Alliance, providing high quality support to other schools and professional development; it is a National Support School, assisting in raising standards in those schools.

Thrussington School has members of staff who are recognised by the Local Authority, Tribal and the National College for Teaching and Leadership as specialists to provide strategies and leadership development to raise standards and to initiate succession planning, throughout the county and beyond. The Headteacher is a National Leader of Education working to improve standards in schools nationally and also works on behalf of the Arts Council in this capacity.

Areas for the school to develop during the course of the year include:

Evaluating the manner in which the new curriculum has been implemented in light of the progress of children, including against statutory testing, including the implementation of the new, Agreed Syllabus for Religious Education. The assessment and tracking programmes will be evaluated and refined accordingly to ensure high standards of teaching and learning. The School will continue with a revised form of baseline assessment in the Early Years Foundation Stage. There will be a continuing emphasis on raising standards in all areas of the curriculum and in particular the core subjects. The school will continue to provide a broad, balanced, enriched and challenging curriculum.

To ensure progress is at least good in all areas of the Ofsted Inspection framework.

Developing the Teaching School and its Alliance. Increase the number of schools affiliated to the Alliance and to develop income streams as a move towards self-supporting model.

The school is proactive in engaging external agencies to monitor and evaluate its quality e.g. a lead inspector; the Basic Skills Quality Mark; Primary Science Quality Mark, Enhanced Healthy Schools' Award.

The school remains outstanding since its last inspection. A S.48 inspection in February, 2015, deemed the school to be outstanding in all areas. The school remains over subscribed and is at capacity. A successful bid for Condition Improvement Funding has resulted in the school being refurbished and extended and the planned admission number will rise in 2018/2019, with the capacity's rising to 105 on roll.

● **Going concern**

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



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

**FINANCIAL REVIEW**

● **Financial review**

The Academy had a net increase in funds for the year ended 31 August 2017 of £742,728 including fixed assets movements. As at 31 August 2017 the Academy held £29,557 of unrestricted reserves plus £27,213 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £56,770.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £142,000 at 31 August 2017 and a fixed asset reserve of £730,035 (being the book value of past purchases £722,013 plus £8,022 of unspent capital grants).

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other ESFA/DfE grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one months expenditure of the annual budget, being approximately £35,000.

Actual free reserves plus unspent GAG as at 31 August 2017 were £56,770, being approximately £21,000 above the target level set by the Trustees. The Academy held no other restricted fund balances. Cash at bank at 31 August 2017 was £68,795 higher than total available reserves due principally to unspent capital grants, Universal Infant Free School Meals income received in advance of the Autumn term, August on costs paid post year end and various other accruals timing differences.

At 31 August 2017 the Academy's fixed asset reserve of £730,035 represented £722,013 of funds which could only be realised if the assets were sold, plus £8,022 of unspent capital grants.

The only reserve in deficit at the year end was the pension reserve (deficit of £142,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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

● **Material investments policy**

The school's investment strategy is:

- Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the accounts have adequate balances to meet forthcoming commitments.
- Identify funds surplus to immediate cash requirements and transfer to the school's deposit account bearing a higher interest rate.
- Periodically review interest rates and compare with other investment opportunities.
- The school's current policy is to only invest funds in risk free and immediately assessable deposit accounts.

Any change in policy requires the approval of Trustees via the Finance Committee.

● **Principal risks and uncertainties**

The school has compiled a risk register and analysed risks and controls in place for each risk. The risks are reviewed by the Governing Body & sub committees at least annually. Given that the school has completed significant building changes, it is planned that, at the beginning of the new academic year (2017/2018), Governors will review the risk assessment both in type and structure.

Principal risks and uncertainties facing the Academy Trust are low and are addressed in the risk management document that the Academy Trust has in place which will be reviewed annually.

The Trustees are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Headteacher of the school. Risks are identified, assessed and controls established throughout the period. A formal review of the school's risk management process will be undertaken on an annual basis. Risk is managed under the headings of Strategic and Reputational, Operational, Employment and Financial.

At 31 August 2017 the pension deficit on the Local Government Pension Scheme stood at £142,000 (2016: £163,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**PLANS FOR FUTURE PERIODS**

● **Future developments**

The Trustees intend to continue their current strategies of maintaining the school's position in a competitive market by providing outstanding education for all pupils. Achieving high standards of academic results is a constant aim in conjunction with maintaining the breadth and depth of wider education in order to develop the whole person.

The Headteacher and appropriate staff have implemented the new, national primary curriculum, with modifications, as is consistent with the school being an Academy, to provide a broad, balanced and enriched and challenging curriculum and to ensure that the educational qualifications remain appropriate for our pupils' development. The school will be developing further its system of assessment of pupils' progress and a rigorous system of tracking progress.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Academy Trust's future plans are financed from income direct from the ESFA related to student numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for pupils. Maintaining and, where necessary, developing the fabric of the facilities of the school is core to our strategy. Funds are raised as a result of the work undertaken by the Headteacher, in her capacity as a National Leader of Education and as an Ofsted Inspector, and from staff members who are employed in the role of Specialist Leader of Education.

There is a planned programme of maintenance and investment for the school site. As an Academy which is outstanding in its provision; is a National Teaching School, a National Support School and is oversubscribed, the Trustees will be seeking to improve the building. Each year we invest in computer equipment, as part of a carefully budgeted rolling programme, to reflect the needs of the curriculum, and infrastructure to ensure our pupils and staff have access to the very best technology possible.

Environmental issues are also a high priority and we continue to develop our buildings to ensure they are more energy efficient.

**Funds held as custodian**

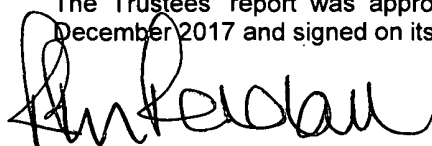
No funds are held on behalf of others.

**Disclosure of information to auditors**


Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee 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 Trustees' report was approved by order of the Board of Trustees, as the company directors, on 14 December 2017 and signed on its behalf by:



**Mr R P M Rendall MBE**  
**Chair of Trustees**



**Mrs E Moore**  
**Accounting Officer**



**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr R P M Rendall MBE, Chair of Trustees	7	7
Mrs J Heath	7	7
Mrs D Clarke	6	7
Mrs E Moore, Headteacher	7	7
Dr N Moore	7	7
Mrs F Rendall	6	7
Mrs S Whitehead	7	7
Mrs R Lehner Mear	6	7
Mr R O'Neill	5	7
Mrs A North Rose	4	7
Mr N Hainsworth	7	7
Rev Sister M A'Herne-Smith	1	6
Mrs K Miller	3	4

Changes in the composition of the Board are indicated on page 1 of the financial statements and all were of a routine nature.

The Board's work was typical for a primary Academy of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with by the Trustees during their work.

A review of the Board's performance in the year is detailed below. Challenges encountered have been of a routine nature concerning finances, staff management and educational standards.

The quality of data flowing to the Board is considered acceptable by Trustees based on their experience, their own observations, enquiries and judgements.

**Governance reviews:**

The Board of Trustees intends to conduct a self evaluation review during the forthcoming year.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the finance, property and staff.

The Full Governing Body (FGB) receives full, written reports from the Headteacher for each FGB, and senior staff provide reports. The gathering of information is made available to the Board's committees, governors conduct visits as part of a monitoring and evaluation programme and takes reports from an external education consultant, from internal auditors from the local authority, in order to triangulate the validity of information on the school.

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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Moore	8	8
Mr N Hainsworth	7	8
Mr R P M Rendall MBE	8	8
Mr R O'Neill	8	8

The Curriculum and Standards Committee is also a delegated committee of the main Board of Trustees. Its purpose is to oversee the Curriculum, Standards, Care, Guidance & Support, Behaviour, Ethical, Cultural and Moral standards, Welfare and the Impact and intervention of Pupil Premium.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Heath	5	5
Mrs E Moore	5	5
Mrs D Clarke	4	5
Mrs A North Rose	4	5
Mrs R Lehner Mear	4	5
Mrs F Rendall	4	5
Rev Sister M A'Herne-Smith	3	5

**Review of Value for Money**

As Accounting Officer, the Headteacher 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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year.

Thrustrington School, as a National Teaching School working in conjunction with another National Teaching School, has formed the STEP Teaching School Alliance and works closely with several other schools within the area. In addition, the school collaborates with five other local Church of England schools.

The school works closely with Y.M.D. Boons Architects and Business Advisors, as part of its procurement policy, to achieve competitive contracts in building maintenance and development.

The planned budgets are presented to Governors. They are challenged in accordance with financial protocols and policies adopted by the school from evidence of good practice.

**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 Thrustrington Church of England Primary School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

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

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

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The latest internal audit visit was February 2017. No material control issues were identified as a result of the internal auditor's review work.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 14 December 2017 and signed on their behalf, by:



**Mr R P M Rendall MBE**  
**Chair of Trustees**



**Mrs E Moore**  
**Accounting Officer**

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Mrs E Moore**  
**Accounting Officer**

Date: 14 December 2017



**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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

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

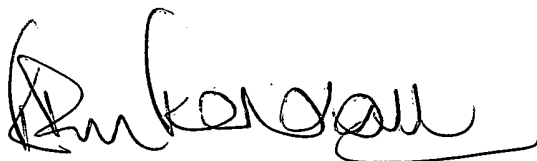
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the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

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

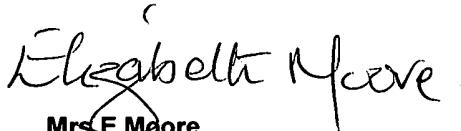
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

Approved by order of the members of the Board of Trustees on 14 December 2017 and signed on its behalf by:



**Mr R P M Rendall MBE**  
**Chair of Trustees**



**Mrs E Moore**  
**Accounting Officer**

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**

**Opinion**

We have audited the financial statements of Thrussington Church of England Primary School 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' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

**Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**

**Auditor's responsibilities for the audit of the financial statements**

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

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

*Magma Audit LLP*

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

**Magma Audit LLP**

Chartered Accountants  
Statutory Auditors

340 Melton Road  
Leicester  
LE4 7SL

Date:

*19/12/17*

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION AND SKILLS  
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thrussington Church of England Primary School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Thrussington Church of England Primary School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Thrussington Church of England Primary School's funding agreement with the Secretary of State for Education dated 1 November 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.

The work undertaken to draw our conclusions include:

- On a sample basis testing transactions and balances.
- Making enquires of the Academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO**  
**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL 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.

*Magma Audit LLP*

**Magma Audit LLP**

Chartered Accountants

340 Melton Road  
Leicester  
LE4 7SL

Date:

*15/12/17*

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	800	-	712,298	713,098	15,299
Charitable activities	3	-	412,046	-	412,046	402,724
Other trading activities	4	4,927	-	-	4,927	3,284
<b>TOTAL INCOME</b>		<b>5,727</b>	<b>412,046</b>	<b>712,298</b>	<b>1,130,071</b>	<b>421,307</b>
<b>EXPENDITURE ON:</b>						
Raising funds		271	-	-	271	164
Charitable activities		-	416,475	6,597	423,072	407,378
<b>TOTAL EXPENDITURE</b>	5	<b>271</b>	<b>416,475</b>	<b>6,597</b>	<b>423,343</b>	<b>407,542</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		5,456	(4,429)	705,701	706,728	13,765
Actuarial gains/(losses) on defined benefit pension schemes	19	-	36,000	-	36,000	(33,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>5,456</b>	<b>31,571</b>	<b>705,701</b>	<b>742,728</b>	<b>(19,235)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		24,101	(146,358)	24,334	(97,923)	(78,688)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>29,557</b>	<b>(114,787)</b>	<b>730,035</b>	<b>644,805</b>	<b>(97,923)</b>

The notes on pages 24 to 42 form part of these financial statements.

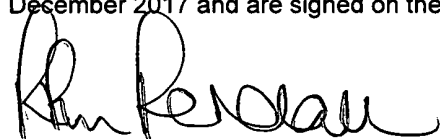
**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**

(A company limited by guarantee)  
REGISTERED NUMBER: 08248063

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	11		722,013		21,156
<b>CURRENT ASSETS</b>					
Debtors	12	69,896		5,644	
Cash at bank and in hand		125,565		69,564	
		<u>195,461</u>		<u>75,208</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(130,669)</u>		<u>(31,287)</u>	
<b>NET CURRENT ASSETS</b>			<u>64,792</u>		<u>43,921</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>786,805</u>		<u>65,077</u>
Defined benefit pension scheme liability	19		<u>(142,000)</u>		<u>(163,000)</u>
<b>NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>644,805</u></u>		<u><u>(97,923)</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted income fund	14	27,213		16,642	
Fixed asset fund	14	730,035		24,334	
		<u>757,248</u>		<u>40,976</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(142,000)</u>		<u>(163,000)</u>	
Total restricted funds			<u>615,248</u>		<u>(122,024)</u>
Unrestricted income funds	14		<u>29,557</u>		<u>24,101</u>
<b>TOTAL FUNDS/(DEFICIT)</b>			<u><u>644,805</u></u>		<u><u>(97,923)</u></u>

The financial statements on pages 21 to 42 were approved by the Trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:



**Mr R P M Rendall MBE**  
Chair of Trustees



**Mrs E Moore**  
Accounting Officer

The notes on pages 24 to 42 form part of these financial statements.



**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	<u>51,157</u>	<u>19,723</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(707,454)	(10,603)
Capital grants from DfE/ESFA and other capital income		<u>712,298</u>	<u>14,806</u>
<b>Net cash provided by investing activities</b>		<u>4,844</u>	<u>4,203</u>
<b>Change in cash and cash equivalents in the year</b>		<b>56,001</b>	<b>23,926</b>
Cash and cash equivalents at 1 September 2016		<u>69,564</u>	<u>45,638</u>
<b>Cash and cash equivalents at 31 August 2017</b>	17	<u><u>125,565</u></u>	<u><u>69,564</u></u>

The notes on pages 24 to 42 form part of these financial statements.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(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.

Thruslington Church of England Primary School constitutes a public benefit entity as defined by FRS 102.

**1.2 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 Education and Skills Funding Agency.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(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.

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

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.

Where assets are received by the Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 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.

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:

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

Fixtures and fittings	- 15% Straight line
Computer equipment	- 25% Straight line

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

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

**1.7 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.

**1.8 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.

**1.9 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 LIABILITIES AND PROVISIONS**

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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.11 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. 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 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 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.

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.

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**1. ACCOUNTING POLICIES (continued)**

**1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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.

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.

**Defined benefit pension scheme**

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.

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	800	-	-	800	10,511
Capital grants	-	-	712,298	712,298	4,788
	<u>800</u>	<u>-</u>	<u>712,298</u>	<u>713,098</u>	<u>15,299</u>
<i>Total 2016</i>	<u>-</u>	<u>493</u>	<u>14,806</u>	<u>15,299</u>	

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	366,348	366,348	354,250
Other DfE/ESFA grants	-	35,797	35,797	36,961
	-	402,145	402,145	391,211
<b>Other government grants</b>				
Local Authority grants	-	9,901	9,901	6,762
	-	9,901	9,901	6,762
<b>Other funding</b>				
Other grants	-	-	-	4,751
	-	-	-	4,751
	-	412,046	412,046	402,724
<i>Total 2016</i>	-	402,724	402,724	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Consultancy income	4,615	-	4,615	3,284
Other income	312	-	312	-
	4,927	-	4,927	3,284
<i>Total 2016</i>	3,284	-	3,284	



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**5. EXPENDITURE**

	<b>Staff costs 2017 £</b>	<b>Premises 2017 £</b>	<b>Other costs 2017 £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Expenditure on raising funds	-	-	271	271	164
Educational Operations:					
Direct costs	264,514	4,948	28,679	298,141	286,336
Support costs	31,815	18,291	74,825	124,931	121,042
	<u>296,329</u>	<u>23,239</u>	<u>103,775</u>	<u>423,343</u>	<u>407,542</u>
<i>Total 2016</i>	<u>277,698</u>	<u>23,246</u>	<u>106,598</u>	<u>407,542</u>	

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**6. CHARITABLE ACTIVITIES**

	Total funds 2017 £	Total funds 2016 £
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs - salaries	197,765	192,605
Teaching and educational support staff costs - NI	18,539	15,046
Teaching and educational support staff costs - pensions	44,439	36,169
LGPS pension interest cost (£7,000) less return on assets (£3,000)	4,000	5,000
Educational supplies	17,019	19,335
Staff development	3,580	3,951
Depreciation	4,948	5,084
Other direct costs	7,851	6,566
	<u>298,141</u>	<u>283,756</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff costs - salaries	25,605	24,741
Support staff costs - NI	1,002	658
Support staff costs - pension	5,208	5,665
Maintenance of premises and equipment	11,269	11,933
Cleaning	1,305	1,446
Rates	947	1,075
Insurance	3,121	2,014
Depreciation	1,649	1,694
Catering	18,547	17,534
Bank charges	28	28
Other support costs	37,226	33,929
Technology costs	6,343	6,105
Energy costs	3,898	5,453
Governance	8,783	11,347
	<u>124,931</u>	<u>123,622</u>
	<u><u>423,072</u></u>	<u><u>407,378</u></u>

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

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- capitalised by the charity	6,597	6,778
Auditors' remuneration - audit	6,130	6,500
Auditors' remuneration - other services	990	1,439
Operating lease rentals	300	300
	<u><u>13,917</u></u>	<u><u>15,017</u></u>

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**8. STAFF COSTS**

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>223,370</b>	217,346
Social security costs	<b>19,541</b>	15,704
Operating costs of defined benefit pension schemes	<b>49,647</b>	41,834
	<hr/>	<hr/>
	<b>292,558</b>	274,884
Supply teacher costs	<b>3,771</b>	2,814
	<hr/>	<hr/>
	<b>296,329</b>	277,698
	<hr/>	<hr/>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>3</b>	4
Administration and support	<b>8</b>	9
Management	<b>1</b>	1
	<hr/>	<hr/>
	<b>12</b>	14
	<hr/>	<hr/>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2017 pension contributions for this staff member amounted to £10,174.

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £84,629 (2016: £83,732). These figures include salary costs of an Trustees employed by the Academy, even where they have no management role within their employment.

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**9. TRUSTEES' REMUNERATION AND EXPENSES**

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

Mrs E Moore (Headteacher and Trustee)

Remuneration £60,000 - £65,000 (2016: £60,000 - £65,000)

Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000)

Mrs S Whitehead (Staff Trustee)

Remuneration £10,000 - £15,000 (2016: £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

During the year, no Trustees received any benefits in kind (2016 - £Nil).

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

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £94 (2016 - £79).

**11. TANGIBLE FIXED ASSETS**

	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2016	-	20,790	18,757	39,547
Additions	707,454	-	-	707,454
At 31 August 2017	707,454	20,790	18,757	747,001
<b>DEPRECIATION</b>				
At 1 September 2016	-	9,913	8,478	18,391
Charge for the year	-	3,118	3,479	6,597
At 31 August 2017	-	13,031	11,957	24,988
<b>NET BOOK VALUE</b>				
At 31 August 2017	707,454	7,759	6,800	722,013
At 31 August 2016	-	10,877	10,279	21,156

See note 1.3 re assets transferred on conversion.

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**12. DEBTORS**

	2017 £	2016 £
<b>DUE WITHIN ONE YEAR</b>		
VAT recoverable	35,370	1,169
Prepayments and accrued income	34,526	4,475
	<u>69,896</u>	<u>5,644</u>

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

	2017 £	2016 £
Other taxation and social security	4,667	4,346
Other creditors	5,548	4,345
Accruals and deferred income	120,454	22,596
	<u>130,669</u>	<u>31,287</u>

	2017 £	2016 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	8,019	10,727
Resources deferred during the year	7,901	8,019
Amounts released from previous years	(8,019)	(10,727)
Deferred income at 31 August 2017	<u>7,901</u>	<u>8,019</u>

The closing balance of deferred income relates to Universal Infant Free School Meals funding and 2017/18 rates income.

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**14. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>UNRESTRICTED FUNDS</b>					
General funds	24,101	5,727	(271)	-	29,557
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	16,642	366,348	(355,777)	-	27,213
Pupil Premium	-	8,470	(8,470)	-	-
Other DfE/ESFA grants	-	27,327	(27,327)	-	-
Local Authority grants	-	9,901	(9,901)	-	-
Pension reserve	(163,000)	-	(15,000)	36,000	(142,000)
	(146,358)	412,046	(416,475)	36,000	(114,787)
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/ESFA capital grant	6,856	4,844	(2,086)	-	9,614
Capital expenditure from GAG	7,742	-	(1,381)	-	6,361
Transfer from Local Authority	1,338	-	(479)	-	859
PTFA Donations	8,398	-	(2,651)	-	5,747
Condition Improvement Fund	-	707,454	-	-	707,454
	24,334	712,298	(6,597)	-	730,035
Total restricted funds	(122,024)	1,124,344	(423,072)	36,000	615,248
Total of funds	(97,923)	1,130,071	(423,343)	36,000	644,805

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

**Restricted general funds**

The General Annual Grant (GAG) relates to the school's development and operational activities.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

The DfE/ESFA restricted funds grants consists of Universal Infant Free School Meals grant, PE Sports grant, Baseline Assessment funding and National Support School (NSS) Bursary grant. All funds have been spent in full within the year.

Local Authority grants consists of Special Educational Needs funding. All funds have been spent in full within the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

**Restricted fixed asset funds**

DfE/ESFA capital grants relates to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned plus unspent Devolved Formula

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

Capital (DFC) of £3,178 from 15/16 and £4,844 from 16/17 to be spent in 17/18.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The closing balance represents the net book value of the assets concerned.

The transfer from the Local Authority relates to the value of the moveable assets transferred from the Local Authority to the Academy on conversion less depreciation charged to date.

The Thrussington Primary School PTFA donation relates to donations towards cost of new ICT equipment. The closing balance relates to the net book value of the assets concerned.

Condition Improvement Fund relates to funding received from ESFA for the building of new classrooms and modernisation of the existing building. The closing balance relates to the net book value of the assets concerned.

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.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	722,013	722,013
Current assets	29,557	157,882	8,022	195,461
Current liabilities	-	(130,669)	-	(130,669)
Pension scheme liability	-	(142,000)	-	(142,000)
	<u>29,557</u>	<u>(114,787)</u>	<u>730,035</u>	<u>644,805</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	706,728	13,765
<b>Adjustment for:</b>		
Depreciation charges	6,597	6,778
(Increase)/decrease in debtors	(64,252)	1,020
Increase in creditors	99,382	2,966
Capital grants from DfE and other capital income	(712,298)	(14,806)
Defined benefit pension scheme cost less contributions payable	11,000	5,000
Defined benefit pension scheme finance cost	4,000	5,000
<b>Net cash provided by operating activities</b>	<u>51,157</u>	<u>19,723</u>

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**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	125,565	69,564
Total	<u>125,565</u>	<u>69,564</u>

**18. CAPITAL COMMITMENTS**

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>80,980</u>	<u>-</u>

**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 Leicestershire 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 £4,632 were payable to the schemes at 31 August 2017 (2016 - 4,338) 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 16.48%)



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**19. PENSION COMMITMENTS (continued)**

- 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 16.48%. The TPS valuation for 2012 determined an employer rate of 16.48%, 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 £23,464 (2016 - £23,614).

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

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 £17,000 (2016 - £15,000), of which employer's contributions totalled £14,000 (2016 - £12,000) and employees' contributions totalled £3,000 (2016 - £3,000). The agreed contribution rates for future years are 23.39 - 25.39% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2017</b>	<b>2016</b>
Discount rate for scheme liabilities	<b>2.50 %</b>	2.10 %
Rate of increase in salaries	<b>3.40 %</b>	3.10 %
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	2.10 %
Inflation assumption (CPI)	<b>2.40 %</b>	2.10 %
Commutation of pensions to lump sums	<b>50.00 %</b>	50.00 %

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

	<b>2017</b>	<b>2016</b>
Retiring today		
Males	<b>22.1</b>	22.2
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>24.3</b>	24.2
Females	<b>26.2</b>	26.6

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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	122,000	107,000
Bonds	37,000	27,000
Property	15,000	13,000
Cash	9,000	2,000
	<hr/>	<hr/>
Total market value of assets	<b>183,000</b>	<b>149,000</b>
	<hr/>	<hr/>

The actual return on scheme assets was £3,000 (2016 - £4,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

**Asset model**

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. as at 1 September 2016 for the year to 31 August 2017, or date of joining the fund if later).

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**19. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Current service cost	(25,000)	(17,000)
Interest income	3,000	4,000
Interest cost	(7,000)	(9,000)
	<hr/>	<hr/>
Total	(29,000)	(22,000)
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening defined benefit obligation	312,000	229,000
Current service cost	25,000	17,000
Interest cost	7,000	9,000
Employee contributions	3,000	3,000
Actuarial (gains)/losses	(21,000)	54,000
Benefits paid	(1,000)	-
	<hr/>	<hr/>
Closing defined benefit obligation	325,000	312,000
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening fair value of scheme assets	149,000	109,000
Expected return on assets	3,000	4,000
Actuarial losses	15,000	21,000
Employer contributions	14,000	12,000
Employee contributions	3,000	3,000
Benefits paid	(1,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	183,000	149,000
	<hr/>	<hr/>

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

**Change in assumptions as at 31 August 2017:**

	Approximate % increase to Employer Liability	Approximate monetary amount
0.5% decrease in Real Discount Rate	13%	41,000
0.5% increase in the Salary Increase Rate	4%	12,000
0.5% increase in the Pension Increase Rate	9%	29,000

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**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 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	300	300
Between 1 and 5 years	600	900
Total	<u>900</u>	<u>1,200</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 Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Diocese of Leicester Educational Trust are a founding member of the Academy and have broad powers to appoint Trustees. The building from which the Academy operates is owned by the Diocese of Leicester. No long leasehold fixed asset is recognised in the financial statements due to the degree of ultimate control over the building lies with the Diocese.

The Academy participates in the Diocese's maintenance scheme, costing £7,175 for the year (2016: £7,175). As part of this maintenance scheme the Academy is reimbursed by the Diocese for certain repair expenditure incurred. Total reimbursements for repair works were £nil (2016: £2,970). Subscription and course costs of £765 were paid to the Diocese for their services.

No other related party transactions took place in either the current or prior year.

**23. CONNECTED CHARITIES**

The Thrussington Primary School PTFA raises money for the school and then, in line with its own board decisions, donates funds for particular projects or assets for the benefit of the school. The charity's net assets/reserves at 31 August 2017 were £16,131 (2016: £10,040). The charity's gross income was £11,652 (2016: £7,836), its expenditure was £5,561 (2016: £11,856) and its surplus was £6,091 (2016: surplus £4,020).