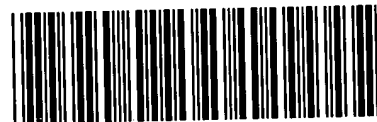

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 16
Statement on Regularity, Propriety and Compliance	17
Trustees' Responsibilities Statement	18
Independent Auditors' Report	19 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities	23 - 24
Balance Sheet	25 - 26
Cash Flow Statement	27
Notes to the Financial Statements	28 - 45

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

Mr J Jones, Head Teacher^{2,3,4,5,6}
Professor A Gibbons, Chair of Governors^{2,3}
Ms V Browning, Associate member⁵
Mr I Cornelius, Member¹
Ms F Formby, Community Governor³
Mrs F Hanson, Authority Governor (resigned 2 October 2015)^{2,3,6}
Mr G Hyland, Vice Chair of Governors^{2,4}
Mr J Moore, Staff Governor⁵
Ms S Oughton, Staff Governor⁵
Mrs J Pickup, Authority Governor^{1,2,4}
Mrs K Pulham, Community Governor^{2,4,6}
Rev R Rosborough, Community Governor (resigned 1 February 2015)^{3,4}
Mr D Souch, Parent Governor^{2,5}
Mrs H Townsend, Parent Governor³
Ms L Walmsley, Associate Member (resigned 20 July 2015)³
Mrs S Ward, Clerk to the Governors (resigned 6 December 2014)
Dr C Riley, Associate Member (appointed 30 November 2014, resigned 6 December 2014)
Mr T Williams, Staff Governor
PC S Crawford, Community Governor (appointed 1 May 2015)

¹ Members

² Finance committee

³ Curriculum committee

⁴ Staff & Pupil committee

⁵ Premises committee

⁶ Pre-School committee

Company registered number

08321599

Principal and registered office

School Hill
Bourton-on-the Water
Cheltenham
Gloucestershire
GL54 2AW

Company secretary

Mrs K Franklin

Accounting officer

Mr J Jones

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Senior management team

Mr J Jones, Head Teacher
Mr J Moore, Deputy Head Teacher
Mrs Connor, Senior Manager

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Bankers

Lloyds Bank Plc
High Street
Bourton-on-the-Water
Cheltenham
Gloucestershire
GL54 2AL

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Bourton-on-the Water Primary Academy Trust for the ended 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates an Academy School for the village of Bourton on the Water and a pre-school setting. There are approximately 230 pupils attending the Academy, with a further 40 pupils at the pre-school.

Chairman's Statement

This report marks the end of a busy and very successful year. It is a common observation, underpinned by surveys, that our pupils are content and well behaved. In terms of academic achievement, a year ago we recorded a ten-year highpoint but we continue to improve with measures for reading, writing, mathematics and SPaG (spelling, punctuation and grammar) comfortably above the national average. For this, we thank our hard-working head teacher, Mr John ap R Jones, and his enthusiastic staff, who continue to be innovative and who are well ahead in their plans to meet the challenges of the new national curricula and redefined measures of academic attainment.

The school grows in terms of influence. For example: we are now a recognised centre for innovation in mathematics teaching, sharing new methodology with other schools; this year we opened a nurture pod for children with developmental difficulties, a facility which we expect to be taken advantage of increasingly by other schools; our pre-school provision, initiated just over a year ago to serve the local community, has happily settled into new accommodation and, after an uneasy start, this year passed an Ofsted visit with flying colours. We recognise that these activities not only stimulate academic advancement, but are also a sound financial investment.

In our third year as an academy, we are comfortable within the arrangement. The committees of governance keep busy at all levels, properly monitoring the budget under ever changing circumstances, this year rewriting all the policy statements and, for example, rolling forward plans for maintenance of the school's fabric including a notion to move the head teacher and administrators out of cramped, inadequate space into new offices.

I thank my fellow hard-working trustees and members for freely giving their time over the past year. This has been a very good year made possible by teamwork and, especially, by the efforts of a creative and proactive head teacher.

Professor Alan Gibbons
Chair of Trustees

Structure, governance and management

a. CONSTITUTION

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Bourton on the Water Primary Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bourton on the Water Primary Academy. It is also known as Bourton on the Water Primary School.

The names of the trustees who served for the period 1 September 2014 to 31 August 2015 are shown in The reference and Administrative Details on page 1.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The principal activity of Bourton-on-the-Water Primary Academy Trust is to provide a high standard of education for pupils aged between 4 and 11 years old and to run pre-school provision for children aged over 2yrs 9 months. The Out of School Club, Breakfast Club and Holiday Club provide child care for children outside of School hours.

b. MEMBERS' LIABILITY

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

The members are:-

- Mr Ian Cornelius
- Mr Tim Newstead
- Mrs Jane Pickup

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The company's articles of association are the primary documents for governance. Members of the Academy are appointed by the Secretary of State. Under the articles, the number of Trustees may be no less than three. To that end, the Board of Trustees, served by a Clerk, is made up of 3 Community members, 4 Parent members, 2 Staff members, 2 Authority members and Headteacher. Associate members may also be appointed but have no voting rights.

Parent members are elected by ballot. The electorate is made up of the parents from the Schools registered pupils.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The induction, training and support offered to a trustee will vary depending on the level of knowledge of each new appointment. Some general principles exist:

- 1) A new Trustee will be inducted by an incumbent
- 2) A new trustee will meet with the school Principal and Chair of Governors
- 3) Key documents for new trustees will be provided via the School's Virtual learning Environment and will include the Equality policy, The Safeguarding Policy and the Trustees Code of Conduct.

e. ORGANISATIONAL STRUCTURE

The management of the trust consists of three levels. They are

- the Board of Trustees,
- the Sub Committees (Finance, Curriculum, Pupil and Staff, Premises)
- the Senior Management Team (SMT) made up of Mr Jones, Mr Moore, Mrs Jones, Mrs Connor
- the Administrative team made up of Mr Jones, Mr Moore, Mrs Jones, Mrs Connor, Mrs Franklin, Ms Agg and Ms Cooper (Pre-school manager)

The aim is to devolve decision making to those who have most experience of the running of the school. The SMT undertake management on a day to day basis. The trustees support the SMT to manage the school by providing support, monitoring various standards and holding decision making to account.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The budget is set by the Board of Trustees, which also sets targets for School Improvement and manages the performance appraisal of the Headteacher and Deputy Headteacher. Policy statements are written to drive the decision making process on a day by day basis. The SMT support the Trustees in the creation of such policies, the analysis of data and undertaking monitoring of systems, reporting back via reports to the Trustees.

The Curriculum Committee is a sub-committee of the Full Governing Body. It is responsible for

- All matters relating to the school curriculum, standards of attainment and achievement, the development of a learning culture and the benchmarking of school performance.
- The creation, review, monitoring of the curricula improvements agreed by the Board of Trustees and published in the School Improvement Plan and Curriculum Development plans
- The review of statistical data as provided by the DFE and Fisher Family Trust (FFt)
- The monitoring of the work of subject leaders through their action plans and report to the full Governing Body each term.
- The audit of standards – (ensuring school self-evaluation systems take place)
- Providing curriculum information, as required, for inclusion in reports to parents.
- Monitoring the visits of other professionals to the school via visit notes
- Reporting to the full board of trustees after each of its meetings

FH (chair) attended 4/4, FF 4/4, Rev. R 1/2, HT 1/1, TW 2/3 & Prof. G 4/4.

Key Performance Indicators (for the Curriculum Committee)

1. To ensure that the school track and respond to the performance of pupils:
Curriculum meetings regularly met with Maths and Literacy leaders. They took part in Q & A sessions and learned from presentations which gave evidence of attainment and progress. The result is that the Governors are clearer about coverage and progress in school. The committee drilled down from KS1 & 2 to be aware of attainment and progress of individual groups.
2. To ensure Teaching non negotiables are applied:
The committee reviewed the key non-negotiables identified in the SDP. The impact is to create a template/framework for Governor Visits in the future.
3. To ensure the school provides a balanced curriculum:
During scrutiny of the displays in school standardisation was recommended, the impact has been recognised as very positive. Meetings with subject leads evidenced that the school was following its curriculum. A full evening of presentations was held for Governors by subject leaders.

Premises / Site Committee

The Premises / Site Committee is responsible for

- The monitoring of the Health and Safety Action Plan
- The monitoring of the Fire Safety Audit
- The position of the Works register
- The position of Servicing Items
- Premises related Finance
- Premises related bids and projects
- The Review of policies related to site including H and S, Accessibility and Lettings
- To identify issues around Premises to the Headteacher
- The establishment of and maintenance of an Asset register

DS (chair) attended 4/4, JM 4/4, SO 4/4, VB 4/4.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key Performance Indicators (for the Premises / Site Committee)

1. To ensure all policies and risk assessments are reviewed, updated and monitored.
A number of policies regarding risk assessment and H and S were reviewed during the course of the year. Amendments were made to keep the Academy compliant.
2. To review, advise on all minor works including reactive maintenance, servicing and interrogate costs associated with these works to ensure cost efficiencies are being maintained and best value is gained for the school.
The committee is driven to avoid reactive maintenance where possible by implementing on-going planned maintenance, upgrades to the school fabric as per the committees 2014 improvement schedule states. All servicing was compliant and all minor works regularly completed and monitored.
3. To assist/advise and prioritise School Building Works
The Committee submitted a bid (unsuccessful) for boiler upgrades. Further plans are developing with regard new office space and an all-weather surface to the infant playground. The committee with the school operations manager continues to track the Section 106 monies that are available to the school from the village's new housing developments.

Pupil & Staff Committee

The Pupil and Staff Committee is responsible for

- Guidance and assistance to the Headteacher and Governing Body on all matters relating to personnel issues, performance management, training, pupil welfare, safeguarding, the school in the community and extended services
- Proposals for the levels of staffing and class structures within the constraints of the schools budget
- The appointment, promotion and severance (inc redundancy) of members of staff, making use of County approved systems and in accordance with the Governors policies
- To review regularly the detail of the school performance against the specific vulnerable groups
- For preparing, undertaking and implementing actions in relation to the Head teachers performance management (inc. making a recommendation to the Governing Body in relation to the Head teachers pay award)
- The monitoring of each year's School Improvement/Development Plan (or post-OfSTED Action Plan) priorities related to pupil /staff well being, and to monitor a list of Continuing Professional Development and coaching support priorities
- The review the Performance Management procedures at the school and ensure that the cycle is carried out each year
- Monitoring and reviewing all policies related to Personnel and Pupil issues including
 - o Safeguarding,
 - o Behaviour,
 - o Visits,
 - o Lone Working,
 - o Grievance,
 - o Complaints,
 - o Performance Management
- Monitoring of pupil attitudes and parent views through analysis of the relevant surveys.
- Monitoring the value of and suggest improvements to, the School's liaison with Parents and the wider community, including feeder playgroups and Secondary providers

KP (chair) attended 3/4, GH 3/4, JJ 4/4, RR 1/2 & SC 1/1.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key Performance Indicators (for the Pupil & Staff Committee)

1. Ensure the Headteacher Appraisal and the Teaching Staff Performance Management Cycle are completed.

The Committee met with Jill Owen to review and set HT PM targets. The Headteacher reported the reviews for the Teachers cycle and regular reports at various stages of the year ensured the process was monitored and opportunities for CPD were made available to staff.

2. Monitor Levels of Attendance, Safety and Behaviour of Pupils, ensuring the Academy meets its Safeguarding expectation.

The Headteacher regularly reported on the above. Levels of attendance continue to be above the National average. Safeguarding training is up to date and the safeguarding policy amended in line with statutory expectations. A number of responses to behaviour (bullying) were considered by the Cte and it was felt the school responded well to the issues. The safeguarding audit from the Gloucestershire Childrens Safeguarding Board was undertaken by a Cte member with the HT.

3. Pupils Attitudes to School are Positive

The Committee reviewed the Gloucestershire Pupils online survey for 2014 and reviewed the responses of the Schools anonymised pupils to the County averages. The report suggests that the school does well to support pupil attitudes and as a result our pupils are positive about the future.

Finance Committee

The Finance Committee is responsible for

- Providing guidance and assistance to the Headteacher and Board of Trustees on all matters relating to budgeting and finance, with reference to EFA statutory guidance and the Trusts' own funding agreement.
- Reviewing regularly the detail of the financial procedures agreed in Trusts' own funding agreement
- Preparing and reviewing financial policy statements, including consideration of long- term planning and resourcing.
- Considering each year's School Improvement (or post-OfSTED Action Plan) priorities, and draw up an annual budget plan for approval by the Board of Trustees
- Reviewing the Finance and Charging Policies annually
- Monitoring of income and expenditure of all funds and to report the financial situation to the full Board of Trustees each term
- Monitoring the impact of spending decisions upon educational achievement in the school
- Monitoring the expenditure delegated to the Headteacher for the day-to-day financial management of the school.
- Ensuring the audit of all funds
- Providing financial information, as required, for inclusion in reports to parents

GH (chair) attended 4/4, AG 4/4, DS 4/4, FH 0/4, JJ 4/4 & JM 4/4.

Kate Franklin the School Finance Officer also attended these meetings.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key Performance Indicators (for the Finance Committee)

- 1) **Budgetary Management:** Did the committee manage funds in line with the school budget? Measure: Did we finish the year within 5% of the proposed budget surplus.
During the meetings the committee reviewed the spending of the Academy against its proposed budget. Where budget areas went over the expected spend the Committee held the FO and HT to account for these overspends, to evidence why and what steps were taken to minimise expense and demonstrate sound budgetary management. Minutes evidence these discussions. At the end of the year the Academy brought forward a surplus of approximately 9% of its total income.
- 2) **Debt Management:**
The level of aged and bad debt was actively managed in line with the finance policy. As a result the agreement was met with a number of bad debtors. No amounts were written off unnecessarily. Where aged bad debt arises there is evidence of how these debts are being recovered in line with the finance policy.
- 3) **Strategic Finance Objectives:**
The Committee took an active role in exploring commercial opportunities and revenue generating activities, including bid sourcing and joint employment ventures. The OSC and Pre-school achieved a small operating profit which would have been greater but for staff long term illness
- 4) **Compliance & Best Practice:**
The Committee considered all recommendations arising from the auditor's report and asked the FO and HT to report on their implementation. Policies were updated accordingly.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

A Star – a company in which Mr J Jones (a trustee of the trust) has an interest:

- The trust used A Star as a training facilitator who charged us a total of £1,242 (2014: £1,524) during the period. There were no amounts outstanding at 31 August 2015 (2014: £Nil)
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Jones neither participated in, nor influenced. The transactions are supplied at cost.
- In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook

Pulham & Sons – a company in which Mrs K Pulham (a trustee of the trust) has an interest:

- The trust purchased transport from Pulham & Sons totalling £4,660 (2014: £4,300) during the period. There were no amounts outstanding at 31 August 2015 (2014: £Nil)
- The trust made the purchase at arms' length following a competitive tendering exercise and offered value for money in accordance with its financial regulations, which Mrs Pulham neither participated in, nor influenced
- In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook

Wild Rock Ltd – a company in which Mr T Williams (a trustee of the trust) has an interest:

- The trust used Wild Rock as an outdoor Pursuits Centre who charged us a total of £1,837.80 (2014: Nil) during the period. There were no amounts outstanding at 31 August 2015
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Williams neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

g. RISK MANAGEMENT

The trustees confirm that the major risks to the Academy fulfilling its role have been assessed using the Risk Register in the Academies Financial handbook. An action plan to alleviate those risks is in place and is reviewed annually.

A number of systems are in place to manage risk especially in operational areas (trips, activities, teaching and behaviour etc). There are systems in place to manage risk around procedures such as vetting staff, financial control, allowing visitors into school and around site supervision.

h. TRUSTEES' INDEMNITIES

In accordance with common practice, a number of insurances have been taken out to cover claims arising out of errors, negligence and omissions during Academy business.

Objectives and Activities

a. OBJECTS AND AIMS

Our clear educational Mission Statement is to 'Challenge, Amaze, Respect, Enjoy.' Our tag line - 'We CARE' - underpins every aspect of school life and is key to ensuring high levels of motivation, enthusiasm and excitement in learning.

Our aims are to

- Challenge ourselves so that we show determination to improve and succeed
- Amaze ourselves so that we celebrate the achievements of others and ourselves
- Respect ourselves so that we look after ourselves, each other and our community
- Enjoy ourselves so that we achieve our potential and gain skills for life.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our objectives are to

- Ensure pupils reach their full potential based on their starting points
- Improve the effectiveness of the Academy in producing a broad and balanced curriculum
- To ensure all business is carried out against the principles of value for money
- Comply with all statutory obligations
- Maintain close links with all stakeholders
- Conduct all activity in accordance to the highest standards of integrity, probity and openness.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Our key priorities for 2014/15 were to

1. Implement a new curriculum in line with the Department for Education, ensuring
 - Attainment levels were maintained
 - Assessment systems were developed and implemented
 - Special Educational Needs systems were amended and implemented accordingly
2. Embed key Pedagogical systems so that
 - The gaps in attainment between disadvantaged pupils and the rest narrowed
 - Teaching was graded more highly in reviews
 - Pupil Achievement was better than National Medians
3. Improve the ethos for learning
 - Monitoring behaviour more closely
 - Targeting support interventions on pupils with Social and Emotional difficulties
 - Widening the vision to include Parents and the wider community

d. PUBLIC BENEFIT

The core purpose is to support the local community by providing high quality education as recognised by OFSTED. Furthermore the public have benefitted from

- The use of the facilities
- The provision of support services through the parental support advisor who signposts aid to families
- The provision of Pre-School service for the community
- The provision of out of school-hours child care through the breakfast club, out of hours club and holiday club

Achievements and performance

a. 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.

b. KEY ACADEMIC & FINANCIAL PERFORMANCE INDICATORS

Most of the Academies income is received from the Education Funding Agency by means of a grant. Other substantial funding streams include donation from Parents in lieu of trips and activities and income from the Governor run pre-school and out of hours club. In converting in February, initially no performance indicators were applied.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Achievements September 2014 – August 2015

The Trustee Body, with a local School Improvement Planner and former member of Her Majesty's Inspectorate of Education, set a number of key indicators for performance. These were regularly monitored during the course of Full Governing Body Meetings, Committee meetings and various Director visits. The Headteachers Performance Targets reflected these indicators, the first of which benchmarked the performance of the Academy against National expectations and performance.

- 1) **Budgetary Management:** Did the committee manage funds in line with the school budget? Measure: Did we finish the year within 5% of the proposed budget surplus. This balance reflects one month's payroll thus ensuring cashflow and diminishing the operational cost risk of the business.
During the meetings the committee reviewed the spending of the Academy against its proposed budget. Where budget areas went over the expected spend the Committee held the FO and HT to account for these overspends, to evidence why and what steps were taken to minimise expense and demonstrate sound budgetary management. Minutes evidence these discussions. At the end of the year the Academy brought forward a surplus of approximately 9% of its total income.
- 2) **Debt Management:**
The level of aged and bad debt was actively managed in line with the finance policy. As a result the agreement was met with a number of bad debtors. No amounts were written off unnecessarily. Where aged bad debt arises there is evidence of how these debts are being recovered in line with the finance policy.
- 3) **Strategic Finance Objectives:**
The Committee took an active role in exploring commercial opportunities and revenue generating activities, including bid sourcing and joint employment ventures. The OSC and Pre-school achieved a small operating profit which would have been greater but for staff long term illness
- 4) **Compliance & Best Practice:**
The Committee considered all recommendations arising from the auditor's report and asked the FO and HT to report on their implementation. Policies were updated accordingly.

These Key performance indicators were:

- a) **Key Stage 2 Performance to be above National Averages**
The cohort consisted of 31 pupils taking the tests,
The percentage of children attaining a Level 4 in

Reading	100% (above National Average)
Writing	97% (above National Averages)
Maths	94% (above National Averages)
SPaG	100% (above National Averages)

c. INVESTMENT POLICY AND PERFORMANCE

The Academy believes in using its annual funds to support its pupils in that year with a proviso that between 2.5 and 7% of that income are saved for future projects.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees assessed the major risks to which the Academy is exposed. These have been noted as being:

- Pension deficit for Support Staff
- Varying cohort sizes, impacting on structures and finances
- The building of a new school at Upper Rissington and the impact on pupil numbers
- Staff work/life balance
- The requirement for large building refurbishment

b. RESERVES POLICY

As of 31st August 2015, the Academy held a balance of £117,000 of which £78,000 was an unallocated reserve. This reserve is to offset falls in pupil numbers in order to maintain staffing levels in the short term. Since cohort sizes vary, the schools total number of pupils moves between 215 and 235 pupils and the Trustees endeavour to keep class sizes below 30 and to keep mixed phase classes to a minimum.

To that end a surplus of 5% is aimed for in the annual budget forecast. This balance reflects one month's payroll thus ensuring cash flow and diminishing the operational cost risk of the business.

c. DEFICIT

The Academy's non teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme and consequently the balance sheet shows a net liability of £334,000. However this does not mean an immediate liability. The contribution rate has been increased in order to reduce this liability and is calculated by an independent source.

Plans for future periods

a. FUTURE DEVELOPMENTS

The priorities for 2015/6 are to

Challenge

- Embed and Enhance our Teaching Pedagogy – Questioning, assessment and feedback cultures
- Enhance assessment practices
- Introduce Nurture Training for pupils – Create a pod

Amaze

- Review Spelling and Phonic Teaching
- Introduce Singapore Bar Maths
- Enhance co-coaching as a tool for improvement
- Introduce a Spelling passport
- Building of new entrance to School – enhance administration block
- Enhance and Update Heating systems

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Respect

- Review and Update Safeguarding practices in light of new guidance
- Review Behaviour Related Policies and Implement Changes
- Embed Non Negotiables

Enjoy

- Create paper free Management and Governance
- Widen parent visit opportunities
- Join a Teaching Alliance

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has 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.

This report was approved by order of the board of trustees on 2 December 2015 and signed on the board's behalf by:



Professor A Gibbons, Parent Governor
Chair of Governors

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher Mr J ap R Jones,, 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 Bourton-on-the Water Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr J Jones, Head Teacher	6	6
Professor A Gibbons, Chair of Governors	6	6
Ms F Formby, Community Governor	6	6
Mr G Hyland, Vice Chair of Governors	4	6
Mr J Moore, Staff Governor	4	6
Mrs J Pickup, Authority Governor	5	6
Rev R Rosborough, Community Governor	6	6
Mr D Souch, Parent Governor	6	6
Mrs H Townsend, Parent Governor	4	6
Ms L Walmsley, Associate Member	3	4
Mrs S Ward, Clerk to the Governors	6	6
Dr C Riley, Associate Member	1	1
PC S Crawford, Community Governor	5	6

Governance reviews:

Governors continue to hold the school to account for its performance. A training session in February 2014 with a County approved Governor trainer identified roles and responsibilities for governors. Governors use the OFSTED framework to identify strengths and weaknesses in their practice.

As a result, Trustees have created a handbook to support practice and the Chairs of Committees are creating action plan models upon which yearly functions can be set.

REVIEW OF VALUE FOR MONEY

As accounting officer, the Head Teacher Mr J ap R Jones, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Monitoring spends
- Benchmarking spends against other similar schools
- Ensuring that Best Value Principles as set out in the Finance Policy are adhered to
- Responding to audit reports
- Responding to EFA regulations

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 Bourton-on-the Water Primary Academy for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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 & 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 not to appoint an internal auditor. However, the Trustees have appointed Liz Brazier, to carry out a programme of internal checks.

The reviewer'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 a quarterly basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As accounting officer, the Head Teacher Mr J ap R Jones, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

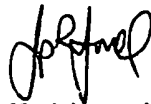
- the work of the internal reviewer;
- the work of the external auditors;
- the finance policy
- the work of the Finance Officer within the academy trust who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 2 December 2015 and signed on its behalf, by:



Professor A Gibbons, Parent Governor
Chair of Governors



Mr J Jones, Head Teacher
accounting officer

BOURTON-ON-THE WATER PRIMARY ACADEMY

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Bourton-on-the Water Primary Academy I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- The trust purchased transport from Pulham & Sons totalling £4,660 (2014: £4,300) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil). It should be noted that the trust made the purchases at arms' length following a competitive tendering exercise and offered value for money in accordance with its financial regulations, which Mrs Pulham neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook.



Mr J Jones, Head Teacher
accounting officer

Date: 2 December 2015

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Bourton-on-the Water Primary Academy 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 Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 2 December 2015 and signed on its behalf by:



Professor A Gibbons, Parent Governor
Chair of Governors

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOURTON-ON-THE WATER PRIMARY ACADEMY

We have audited the financial statements of Bourton-on-the Water Primary Academy for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOURTON-ON-THE WATER PRIMARY ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the Academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Robert Stokes FCCA, Senior Statutory Auditor
Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

17 December 2015

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BOURTON-ON-THE WATER PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourton-on-the Water Primary Academy during the year 1 September 2014 to 31 August 2015 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 Bourton-on-the Water Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bourton-on-the Water Primary Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bourton-on-the Water Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BOURTON-ON-THE WATER PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Bourton-on-the Water Primary Academy's funding agreement with the Secretary of State for Education dated 7 February 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BOURTON-
ON-THE WATER PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

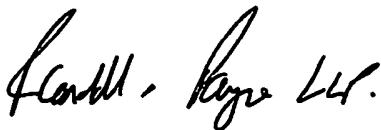
The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year there were transactions with a declared related party. With the update to the EFA requirements the transactions continued to be on the same basis rather than being undertaken as an "at cost" transaction. Whilst this is not in compliance with the EFA requirements the Trustees have taken appropriate steps to ensure that the transactions are fully compliant with their value for money requirements and do not represent any loss to the Academy.



Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

17 December 2015

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	7	31	-	38	19
Activities for generating funds	3	136	78	-	214	178
Incoming resources from charitable activities	4	-	1,108	21	1,129	1,033
TOTAL INCOMING RESOURCES		143	1,217	21	1,381	1,230
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	5	161	-	-	161	120
Charitable activities		-	1,167	31	1,198	1,145
Governance costs	6	-	19	-	19	9
TOTAL RESOURCES EXPENDED	9	161	1,186	31	1,378	1,274
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		(18)	31	(10)	3	(44)

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Note					
Actuarial gains and losses on defined benefit pension schemes	-	(9)	-	(9)	(59)
NET MOVEMENT IN FUNDS FOR THE YEAR	(18)	22	(10)	(6)	(103)
<i>Total funds at 1 September 2014</i>	<i>91</i>	<i>(312)</i>	<i>2,217</i>	<i>1,996</i>	<i>2,099</i>
TOTAL FUNDS AT 31 AUGUST 2015	73	(290)	2,207	1,990	1,996

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 45 form part of these financial statements.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08321599

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	16		2,206		2,215
CURRENT ASSETS					
Debtors	17	57		47	
Cash at bank		144		191	
		<u>201</u>		<u>238</u>	
CREDITORS: amounts falling due within one year	18	(83)		(144)	
NET CURRENT ASSETS			<u>118</u>		<u>94</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,324</u>		<u>2,309</u>
Defined benefit pension scheme liability	25		(334)		(313)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>1,990</u>		<u>1,996</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	44		1	
Restricted fixed asset funds	19	2,207		2,217	
		<u>2,251</u>		<u>2,218</u>	
Restricted funds excluding pension liability					
Pension reserve		(334)		(313)	
		<u></u>		<u></u>	
Total restricted funds			1,917		1,905
Unrestricted funds	19		73		91
TOTAL FUNDS			<u>1,990</u>		<u>1,996</u>

The Trustees consider that the Academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

BOURTON-ON-THE WATER PRIMARY ACADEMY

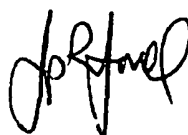
(A Company Limited by Guarantee)

**BALANCE SHEET (continued)
AS AT 31 AUGUST 2015**

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:



**Professor A Gibbons
Chair of Governors**



**Mr J Jones, Head Teacher
Accounting Officer**

The notes on pages 28 to 45 form part of these financial statements.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	21	(46)	(13)
Capital expenditure and financial investment	22	(1)	6
DECREASE IN CASH IN THE YEAR		<u>(47)</u>	<u>(7)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	2014 £000
Decrease in cash in the year	<u>(47)</u>	<u>(7)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>(47)</u>	<u>(7)</u>
Net funds at 1 September 2014	<u>191</u>	<u>198</u>
NET FUNDS AT 31 AUGUST 2015	<u><u>144</u></u>	<u><u>191</u></u>

The notes on pages 28 to 45 form part of these financial statements.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

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.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are 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 one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	2% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

1.7 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.

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	7	31	38	19
	<u>7</u>	<u>31</u>	<u>38</u>	<u>19</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Supply insurance proceeds	-	40	40	20
Wrap around care income	54	-	54	57
Catering income	23	-	23	34
Trip and other student income	-	22	22	20
Rental and sundry income	-	-	-	2
Preschool income	56	-	56	32
Secondment income	-	16	16	13
Windrush Income	1	-	1	-
Income for Finance Staff	2	-	2	-
	<u>136</u>	<u>78</u>	<u>214</u>	<u>178</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Educational activities	-	1,129	1,129	1,033
	<u>-</u>	<u>1,129</u>	<u>1,129</u>	<u>1,033</u>

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
DfE/EFA revenue grants				
General Annual Grant	-	966	966	911
Other DfE/EFA grants	-	43	43	44
Local Authority Grants	-	84	84	54
Other	-	15	15	3
Devolved Formula Capital	-	21	21	21
	<u>-</u>	<u>1,129</u>	<u>1,129</u>	<u>1,033</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Staff costs	161	-	161	120
	<u>161</u>	<u>-</u>	<u>161</u>	<u>120</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Governance Auditors' remuneration	-	4	4	4
Governance Auditors' non audit costs	-	6	6	4
Governors' insurance	-	9	9	1
	<u>-</u>	<u>19</u>	<u>19</u>	<u>9</u>

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. DIRECT COSTS

	Activities	Total	Total
	£000	2015	2014
		£000	£000
Pension income	7	7	9
Educational supplies	56	56	52
Staff development	12	12	12
Educational consultancy	3	3	7
Other direct costs	58	58	53
Maintenance of grounds & premises	20	20	20
Cleaning	6	6	4
Rent & rates	8	8	10
Insurance	11	11	22
Catering	68	68	45
Wages and salaries	666	666	641
National insurance	39	39	35
Pension cost	110	110	104
Depreciation	31	31	43
	<u>1,095</u>	<u>1,095</u>	<u>1,057</u>

8. SUPPORT COSTS

	Activities	Total	Total
	£000	2015	2014
		£000	£000
ICT	13	13	25
Office costs	-	-	2
Wages and salaries	69	69	55
National insurance	3	3	2
Pension cost	18	18	5
	<u>103</u>	<u>103</u>	<u>89</u>

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015 £000	2015 £000	2015 £000	2014 £000
Costs of generating voluntary income	161	-	161	120
Costs of generating funds	161	-	161	120
Direct costs - Activities	815	280	1,095	1,057
Support costs - Activities	90	13	103	89
Charitable activities	905	293	1,198	1,146
Governance	-	19	19	9
	1,066	312	1,378	1,275

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015 £000	2015 £000	2015 £000	2014 £000
Direct costs - Activities	1,095	103	1,198	1,146

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the charity	31	43
Auditors' remuneration	5	4
Auditors' non audit remuneration	3	-

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	880	807
Social security costs	50	43
Other pension costs (Note 25)	137	112
	<u>1,067</u>	<u>962</u>

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	11	11
Administration	20	20
Management	2	3
	<u>33</u>	<u>34</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

Included in the above is 1 staff member who participates in the Teachers Pension Scheme. During the year ended 31 August 2015 the contributions for this staff member was £8,820 (2014 - £8,517).

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 6 Trustees (2014 - 5) in respect of defined benefit pension schemes.

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

	2015	2014
	£000	£000
Mr J Jones, Head Teacher	60-65	60-65
Mr J Jones, Head Teacher (Pension)	5-10	5-10
Ms V Browning, Associate Member	10-15	10-15
Ms V Browning, Associate Member (Pension)	0-5	0-5
Mr J Moore, Staff Governor	45-50	40-45
Mr J Moore, Staff Governor (Pension)	5-10	5-10
Ms S Oughton, Non-Teaching	10-15	10-15
Mrs H Townsend, Parent Governor	0-5	15-20
Mrs H Townsend, Parent Governor (Pension)	0-5	0-5
Mrs S Ward, Clerk to the Governors	0-5	

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

14. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £563 (2014 - £563). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2015	2014
	£000	£000
Expected return on pension scheme assets	16	11
Interest on pension scheme liabilities	(23)	(20)
	(7)	(9)

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

16. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2014	2,220	15	31	2,266
Additions	-	21	1	22
At 31 August 2015	2,220	36	32	2,288
Depreciation				
At 1 September 2014	33	5	13	51
Charge for the year	16	7	8	31
At 31 August 2015	49	12	21	82
Net book value				
At 31 August 2015	2,171	24	11	2,206
At 31 August 2014	2,187	10	18	2,215

Included in land and buildings is leasehold land at valuation of £1,405,000 (2014 - £1,405,000), (cost £nil (2014 - £nil)) which is not depreciated.

17. DEBTORS

	2015 £000	2014 £000
Trade debtors	22	4
Other debtors	6	10
Prepayments and accrued income	29	33
	<u>57</u>	<u>47</u>

**18. CREDITORS:
Amounts falling due within one year**

	2015 £000	2014 £000
Trade creditors	6	28
Other taxation and social security	14	4
Other creditors	15	78
Accruals and deferred income	48	34
	<u>83</u>	<u>144</u>

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

18. CREDITORS:
Amounts falling due within one year (continued)

	£000
Deferred income	
Deferred income at 1 September 2014	31
Resources deferred during the year	42
Amounts released from previous years	(31)
	<u>42</u>
Deferred income at 31 August 2015	<u>42</u>

19. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds					
General Funds - all funds	91	143	(161)	-	73
	<u>91</u>	<u>143</u>	<u>(161)</u>	<u>-</u>	<u>73</u>
Restricted funds					
Restricted Funds - all funds	1	1,217	(1,174)	-	44
Pension reserve	(313)	-	(12)	(9)	(334)
	<u>(312)</u>	<u>1,217</u>	<u>(1,186)</u>	<u>(9)</u>	<u>(290)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	2,217	21	(31)	-	2,207
Total restricted funds	<u>1,905</u>	<u>1,238</u>	<u>(1,217)</u>	<u>(9)</u>	<u>1,917</u>
Total of funds	<u>1,996</u>	<u>1,381</u>	<u>(1,378)</u>	<u>(9)</u>	<u>1,990</u>

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

The restricted general fund includes grants receivable from the EFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

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 2015.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
General funds	91	143	(161)	-	73
Restricted funds	(312)	1,217	(1,186)	(9)	(290)
Restricted fixed asset funds	2,217	21	(31)	-	2,207
	<u>1,996</u>	<u>1,381</u>	<u>(1,378)</u>	<u>(9)</u>	<u>1,990</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	2,207	2,207	2,216
Current assets	69	131	-	200	235
Creditors due within one year	4	(87)	-	(83)	(146)
Provisions for liabilities and charges	-	(334)	-	(334)	(313)
	<u>73</u>	<u>(290)</u>	<u>2,207</u>	<u>1,990</u>	<u>1,996</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £000	Discontinued £000	2015 Total £000	2014 £000
Net incoming resources before revaluations	3	-	3	(44)
Depreciation of tangible fixed assets	31	-	31	44
Capital grants from DfE	(21)	-	(21)	(21)
Increase in debtors	(10)	-	(10)	(10)
(Decrease)/increase in creditors	(61)	-	(61)	15
FRS 17 adjustments	12	-	12	3
Net cash outflow from operations			<u>(46)</u>	<u>(13)</u>

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(22)	(15)
Capital grants from DfE	21	21
Net cash (outflow)/inflow capital expenditure	<u>(1)</u>	<u>6</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	191	(47)	-	144
Net funds	<u>191</u>	<u>(47)</u>	<u>-</u>	<u>144</u>

24. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>24</u>

25. 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 Gloucestershire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £15,196 were payable to the scheme at 31 August 2015 (2014 - £10,097) and are included within creditors.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £63,801 (2014: £59,089).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

25. PENSION COMMITMENTS (continued)

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 2015 was £76,000, of which employer's contributions totalled £62,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 27.3% for employers and 5.5% to 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.

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000
Equities	3.70	237	6.30	184
Bonds	3.70	75	3.20	54
Property	3.70	27	4.50	15
Cash	3.70	3	3.30	3
Total market value of assets		<u>342</u>		<u>256</u>
Present value of scheme liabilities		<u>(676)</u>		<u>(569)</u>
Deficit in the scheme		<u><u>(334)</u></u>		<u><u>(313)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(676)	(569)
Fair value of scheme assets	<u>342</u>	<u>256</u>
Net liability	<u><u>(334)</u></u>	<u><u>(313)</u></u>

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

25. PENSION COMMITMENTS (continued)

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

	2015	2014
	£000	£000
Current service cost	(67)	(50)
Interest on obligation	(23)	(20)
Expected return on scheme assets	16	11
Past service cost	(9)	(3)
	<u> </u>	<u> </u>
Total	(83)	(62)
	<u> </u>	<u> </u>
Actual return on scheme assets	11	25
	<u> </u>	<u> </u>

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

	2015	2014
	£000	£000
Opening defined benefit obligation	569	399
Current service cost	67	50
Interest cost	23	20
Contributions by scheme participants	14	12
Actuarial Losses	4	88
Benefits paid	(1)	-
	<u> </u>	<u> </u>
Closing defined benefit obligation	676	569
	<u> </u>	<u> </u>

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

	2015	2014
	£000	£000
Opening fair value of scheme assets	256	148
Expected return on assets	16	11
Actuarial gains and (losses)	(5)	29
Contributions by employer	62	56
Contributions by employees	14	12
Benefits paid	(1)	-
	<u> </u>	<u> </u>
	342	256
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £73,000 loss (2014 - £64,000 loss).

The Academy expects to contribute £68,000 to its Defined Benefit Pension Scheme in 2016.

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

25. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	69.00 %	72.00 %
Bonds	22.00 %	21.00 %
Property	8.00 %	6.00 %
Cash	1.00 %	1.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	1.25 %	1.50 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2015	2014
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.4	24.4
Females	27.0	27.0

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	2014	2013
	£000	£000	£000
Defined benefit obligation	(676)	(569)	(399)
Scheme assets	342	256	148
Deficit	(334)	(313)	(251)
Experience adjustments on scheme liabilities	(4)	(88)	(8)
Experience adjustments on scheme assets	(5)	29	3

BOURTON-ON-THE WATER PRIMARY ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

26. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£000	£000	£000	£000
Expiry date:				
Between 2 and 5 years	-	-	4	3

27. 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 trustees 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.

	2015	2014
	£000	£000
A Star Educational Conferencing Ltd (J Jones)	1	2
Pulham & Sons (Coaches) Ltd (K Pulham)	5	4
Wild Rock Limited (T Williams)	2	-