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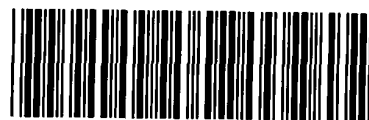
Registered number: 08436788

**FLAMSTEAD END SCHOOL  
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017.**

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**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

<b>Members</b>	Mr M J Howell Mr M A Banner Mr G P Bonsignore Mr G Rose
<b>Trustees</b>	Mr M J Howell Mr M A Banner Mr G P Bonsignore Mr G Rose Mrs S A Killey Mrs F E Alder Mr G Barber (resigned 27 March 2017) Mr S Dhillon Mr P R Havis Mrs C Howell Mrs K T Palgrave (resigned 14 November 2016) Mrs K J Perry (appointed 27 March 2017) Mr J M L Todd Mrs M Mobley
<b>Company registered number</b>	08436788
<b>Company name</b>	Flamstead End School
<b>Registered and principal office</b>	Longfield Lane Cheshunt Waltham Cross Herts EN7 6AG
<b>Company Secretary</b>	Mrs K Perry
<b>Chief Executive Officer</b>	Mrs S A Killey
<b>Senior Leadership Team</b>	Mrs S A Killey, Headteacher Mrs F E Alder, Deputy Headteacher Mrs K J Perry, Business Manager Mr P Earl, Assistant Headteacher Mrs C Desmond, Assistant Headteacher Mrs K Palmer, Assistant Headteacher
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank Plc

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

The Trustees present their Annual Report together with the financial statements and Auditors' Report of Flamstead End School (the Charitable Company or the Trust) for the period ended 31 August 2017. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates Flamstead End School (the School or the Academy) for pupils aged 2-11 serving the catchment area of Flamstead End and the surrounding area. It has a pupil capacity of 420, plus a nursery unit of 60 and a pre-school of up to 48 part time places daily. In addition the School operates a designated reserved provision for pupils with special educational needs (SEN Unit or Resourced Provision) for up to 10 planned places for pupils for speech and language SEN in the age range 4-7.

There were 523 pupils on roll on the summer 2017 school census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

**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.

**Trustee and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased protection for Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Department for Education, Risk Protection Arrangement (RPA), provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

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

The Members may appoint up to 11 Trustees. Subject to Article 50, the Members may appoint Staff Trustees through such process as they may determine. The total number of Trustees who are employees of the Trust (including the Headteacher) must not exceed one third of the total number of Trustees. The Headteacher shall be treated for all purposes as being an ex officio Trustee. Subject to Article 57, Parent Trustees shall be elected by parents of registered pupils at the Academy and must be a parent of a pupil at the Academy at the time elected. The Trustees may also appoint Co-opted Trustees.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by School staff and links with a number of local training providers. New Trustees are given an induction pack and paired with another Trustee as a mentor. Procedures for new Trustee's induction are included within the 'Trustees Induction Policy'.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Trust Board, which meets on at least three occasions per year, is responsible for the strategic direction of the Trust. The Trust Board reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

The Headteacher is the designated Accounting Officer of the Trust and has overall responsibility for its day to day financial management. The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Trust Board as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, individual salary range, the pay scales for each role and the level of experience of each staff member. In addition, pay scales may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. All amendments to key management's pay and remuneration are approved by the appropriate committee within the discretion and responsibility devolved to them.

**Connected Organisations and Related Parties**

Owing to the nature of the Trust'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 Trust's financial regulations and normal procurement procedures. Any transaction where a Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

**OBJECTIVES AND ACTIVITIES**

**Objectives and Aims**

The principal object and aim of the Trust is the operation of Flamstead End School to provide excellent education and care for pupils of different abilities between the ages of 2 and 11, as already assessed by Ofsted during 2015 and awarded an 'Outstanding' status.

**Strategies and Activities**

During the year the Trustees have worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils and reducing the attainment gap for those eligible for free school meals;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Trust's business in accordance with the highest standards of integrity.

At Flamstead End School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the School as detailed above, they 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**

The School continued its mission to ensure students achieved their potential; encouraged a wide range of extra-curricular activities; developed and retained suitable staff.

**Key Performance Indicators**

The Trustees receive termly information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets. As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for September 2017 were full. Another key financial performance indicator is staffing costs as a percentage of total income, for 2016/17 this was 71%. The Trustees are confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures.

The Finance, together with Premises Committees also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within set parameters.

**Going Concern**

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

**FINANCIAL REVIEW**

The principal source of funding for the Trust is the GAG and other grants that it receives from the ESFA. For the year ended 31 August 2017 the Trust received £2,129,193 of GAG and other funding (see Note 3). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £77,382 and transferred £38,318 to support capital new build and improvements on the School site. The Trust brought forward from 15/16 £74,737 restricted funds and £326,750 unrestricted funding. The carry forward for 16/17 is £95,312 restricted funding and £360,201 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £662,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitored estimated year end carry forward figures by the reports from the Business Manager, discussed within each full Trustees meeting. The medium term finance plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £325,917. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

Reserves are held are to:

- meet any unforeseen emergency or unexpected needs for funds for example: urgent site/premises repairs or replacements;
- provide time to take action should funding levels fall or expenditure levels rise, for example: to enable the Trust the option to respond through natural wastage rather than through redundancy of staff;
- meet planned commitments that cannot be met through future income alone for example: major asset purchase or extension; and
- fund short term deficits in cash whilst waiting receipt of funding.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £717,147. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

**Investment Policy**

An Investment Policy was approved by the Board of Trustees on 13 September 2017. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are considered for investment in such a way as to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow, taking into account prevailing interest rates and the time requirement to consider and administer funds movements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on at least an annual basis and the internal control systems and the exposure to any risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The level of financial risk is considered relatively low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this has been managed downwards with contingencies in place to cover such items as sickness and maternity. A Medium Term Finance Plan is reviewed at least twice per year to assess the expected financial position up to five years in advance.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area would arise from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has appointed Internal Auditors from Price Bailey LLP to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

- Financial Instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding as part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**PLANS FOR FUTURE PERIODS**

The School intends to review the provision of the speech and language unit in the light of proposed funding methods and allocation of places by Hertfordshire County Council.

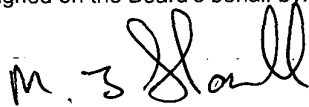
- During 2017/18 the School will be making two Condition Improvement Funding bids to complete the update the heating system (KS1) and complete the replacement of the KS2 roof.

**PROVISION 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 the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to reappoint them was agreed in summer 2017.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 22/11/2017 and signed on the Board's behalf by:



**Mr M J Howell**  
**Chair of Trustees**



**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Flamstead End 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 Flamstead End 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 4 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 M J Howell	4	4
Mr M A Banner	4	4
Mr G P Bonsignore	3	4
Mr G Rose	2	4
Mrs S A Killey	4	4
Mrs F E Alder	3	4
Mr S Dhillon	4	4
Mr P R Havis	0	4
Mrs C Howell	4	4
Mrs K T Palgrave	0	0
Mrs K J Perry	2	2
Mr J M L Todd	0	4
Mrs M Mobley	2	4

Margaret Mobley became a Member of the Trust as Chairperson for the Curriculum Committee during the year.

Karen Perry was appointed as a staff Trustee following the resignation of Karen Palgrave (staff Trustee).

Gary Barber resigned as Trustee during the year.

Paul Havis was re-appointed as Trustee.

The issue of uncertain medium term funding whilst the National Funding Formula consultations took place caused the greatest challenge with the Board not being confident to forward plan with a degree of certainty.

Consideration was also necessary as to whether the School would offer the 30 Hours Free Childcare from September 2017. Clear costed option plans were drawn and the whole process requirements reviewed and discussed, including any risks- whilst many other providers were not joining the scheme, the School decision was to offer the extended hours for one year and review before continuing.

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial and staffing matters.

No composition changes have taken place during the year for the Finance and Personnel Committee.

Due to the uncertainty of medium term funding together with the uncertain future for the continuation of the Speech and Language Unit at the School – creating a financial and development plan was challenging with a number of options necessary to meet differing outcomes. The formal restructuring of the Pre-School to meet current needs and funding was a challenge during the year – to find a format that amended staff hours without redundancies being necessary.

The Audit Committee is subsumed within the Finance and Personnel Committee, no composition changes have taken place during the year.

**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S A Killey	5	5
Mrs F E Alder	5	5
Mr M J Howell	5	5
Mr P R Havis	1	5
Mr G P Bohsignore	2	5
Mr G Rose	4	5
Mr M A Banner	3	5
Mrs K Perry	2	2

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Following the Financial Procedures Manual and Policy to ensure the best possible outcome in procurement.
- Following best practice and allocation of resources through a robust process of business planning directly linked to the schools identified priorities.
- Challenging all spending requirements for real need and alternate methods of achieving the outcome.
- Any staff member who left the School was not automatically replaced, a careful review of the needs of the business were considered, sometimes replacements were not made with efficiencies necessary to cover the process. Other roles were linked, including replacement administration with fewer hours although including a lunchtime role to link the two closer with the needs of both areas resulting in a better service at a lower cost.
- For the first time the School asked parents for a voluntary contribution towards providing the pupils with additional IT hardware, almost £1,800 was raised.
- The School sourced through networking, the services of a Chartered Surveyor at nil cost to assist with the technical preparation of two Condition Improvement Funding bids, one of which was successful with £177,726 grant funding being awarded for replacing the heating system in one of the two main buildings.

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Flamstead End School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust'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.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Personnel 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

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

One day on site by Internal Audit and then further work completed remotely during November 2016, to review the controls supporting the ESFA Governance and Financial "musts" to review compliance – areas included Governor's Skills Review, Governance Action Plan, Business Continuity Policy. March 2017 saw another day on site from Internal Audit, looking at the Risk Management and Asset Management aspects.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Finance and Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The schedule of work has been delivered as planned and there were no issues arising.

**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:

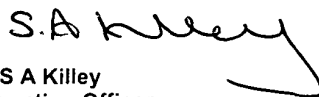
- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 22/11/17 and signed on their behalf, by:



Mr M J Howell  
Trustee



Mrs S A Killey  
Accounting Officer

**FLAMSTEAD END SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Flamstead End 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 S A Killey  
Accounting Officer

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

The Trustees (who act as Governors of Flamstead End School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

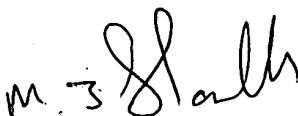
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 22/11/17 and signed on its behalf by:



**Mr M J Howell**  
Trustee

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FLAMSTEAD END SCHOOL**

**OPINION**

We have audited the financial statements of Flamstead End School (the Academy Trust) 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 Financial Reporting Standard 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 Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's 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 Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 Trust's in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

**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.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FLAMSTEAD END SCHOOL**

**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, (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report and the Directors' 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 Trust 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 Trust'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 Trust's or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

Gary Miller (Senior Statutory Auditor)  
for and on behalf of Price Bailey LLP

Chartered Accountants and Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
Date: 11 December 2017

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 9 March 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Flamstead End 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 Flamstead End School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Flamstead End 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 Flamstead End School and the ESFA, for our work, for this Report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF FLAMSTEAD END SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Flamstead End School's funding agreement with the Secretary of State for Education dated 27 March 2013, 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 to our conclusion includes:

- 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.



**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FLAMSTEAD  
END 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.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

11 December 2017

**FLAMSTEAD END 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	8,939	28,663	187,214	224,816	61,069
Charitable activities	3	29,226	2,100,767	-	2,129,993	2,182,024
Other trading activities	4	21,447	23,061	-	44,508	53,886
Investments	5	417	-	-	417	644
<b>TOTAL INCOME</b>		<b>60,029</b>	<b>2,152,491</b>	<b>187,214</b>	<b>2,399,734</b>	<b>2,297,623</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		60,862	2,127,314	256,690	2,444,866	2,558,113
<b>TOTAL EXPENDITURE</b>	6	<b>60,862</b>	<b>2,127,314</b>	<b>256,690</b>	<b>2,444,866</b>	<b>2,558,113</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(833)</b>	<b>25,177</b>	<b>(69,476)</b>	<b>(45,132)</b>	<b>(260,490)</b>
Transfers between funds	15	34,284	(72,602)	38,318	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>33,451</b>	<b>(47,425)</b>	<b>(31,158)</b>	<b>(45,132)</b>	<b>(260,490)</b>
Actuarial gains/(losses) on defined benefit pension schemes	20	-	436,000	-	436,000	(363,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>33,451</b>	<b>388,575</b>	<b>(31,158)</b>	<b>390,868</b>	<b>(623,490)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		326,750	(955,263)	3,715,115	3,086,602	3,710,092
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>360,201</b>	<b>(566,688)</b>	<b>3,683,957</b>	<b>3,477,470</b>	<b>3,086,602</b>

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08436788**

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

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		3,676,051		3,715,115
<b>CURRENT ASSETS</b>					
Debtors	13	65,815		51,392	
Cash at bank and in hand		717,147		582,389	
		<u>782,962</u>		<u>633,781</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	(319,543)		(232,294)	
<b>NET CURRENT ASSETS</b>			<u>463,419</u>		<u>401,487</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,139,470</u>		<u>4,116,602</u>
Defined benefit pension scheme liability	20		<u>(662,000)</u>		<u>(1,030,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>3,477,470</u></u>		<u><u>3,086,602</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	95,312		74,737	
Restricted fixed asset funds	15	3,683,957		3,715,115	
		<u>3,779,269</u>		<u>3,789,852</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(662,000)</u>		<u>(1,030,000)</u>	
Total restricted income funds			<u>3,117,269</u>		<u>2,759,852</u>
Unrestricted income funds	15		<u>360,201</u>		<u>326,750</u>
<b>TOTAL FUNDS</b>			<u><u>3,477,470</u></u>		<u><u>3,086,602</u></u>

The financial statements on pages 16 to 37 were approved by the Trustees, and authorised for issue, on 22/11/17 and are signed on their behalf, by:

  
**Mr M J Howell**  
**Chair of Trustees**

**FLAMSTEAD END 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/(used in) operating activities	17	173,491	(157,132)
<b>Cash flows from investing activities:</b>			
Interest received		417	644
Purchase of tangible fixed assets		(39,150)	(19,371)
<b>Net cash used in investing activities</b>		<b>(38,733)</b>	<b>(18,727)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>134,758</b>	<b>(175,859)</b>
Cash and cash equivalents brought forward		582,389	758,248
<b>Cash and cash equivalents carried forward</b>		<b>717,147</b>	<b>582,389</b>

**FLAMSTEAD END 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 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.

Flamstead End School constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pound Sterling.

**1.2 Company status**

The Trust is a company registered in England & Wales and limited by guarantee. Members are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The registered office is Longfield Lane, Cheshunt, Hertfordshire EN7 6AG.

**1.3 Fund accounting**

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

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

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

**1.4 Income**

All income is recognised once the Trust 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.

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.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

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

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 are apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.6 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Leasehold Property	-	125 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	5 years straight line

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

During the year there was a change in estimation technique in relation to the depreciation basis of Computer Equipment from 10 years to 5 years. The impact of this was that depreciation increased by £17,178.

**1.8 Taxation**

The Trust 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 Trust 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.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.9 Debtors**

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

**1.10 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.

**1.11 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.13 Pensions**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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 Trust 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 20, 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.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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.



**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	8,939	28,663	-	37,602	51,817
Capital grants	-	-	187,214	187,214	9,252
	<u>8,939</u>	<u>28,663</u>	<u>187,214</u>	<u>224,816</u>	<u>61,069</u>
<b>Total 2016</b>	<u>1,711</u>	<u>50,106</u>	<u>9,252</u>	<u>61,069</u>	

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,654,383	1,654,383	1,692,433
Other DfE / ESFA grants	-	211,354	211,354	226,034
	<u>-</u>	<u>1,865,737</u>	<u>1,865,737</u>	<u>1,918,467</u>
<b>Other government grants</b>				
Other government grants	-	235,030	235,030	229,009
	<u>-</u>	<u>235,030</u>	<u>235,030</u>	<u>229,009</u>
<b>Other funding</b>				
Catering income	29,226	-	29,226	34,548
	<u>29,226</u>	<u>-</u>	<u>29,226</u>	<u>34,548</u>
	<u>29,226</u>	<u>2,100,767</u>	<u>2,129,993</u>	<u>2,182,024</u>
<b>Total 2016</b>	<u>34,548</u>	<u>2,147,476</u>	<u>2,182,024</u>	

**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational trips	-	22,027	22,027	24,545
Other activities	17,261	1,034	18,295	25,726
Hire of facilities	4,186	-	4,186	3,615
	<u>21,447</u>	<u>23,061</u>	<u>44,508</u>	<u>53,886</u>
<i>Total 2016</i>	<u>28,097</u>	<u>25,789</u>	<u>53,886</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest received	417	417	644
	<u>644</u>	<u>644</u>	
<i>Total 2016</i>	<u>644</u>	<u>644</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of education:					
Direct costs	1,408,912	22,968	176,862	1,608,742	1,575,704
Support costs	283,889	449,179	103,056	836,124	982,409
	<u>1,692,801</u>	<u>472,147</u>	<u>279,918</u>	<u>2,444,866</u>	<u>2,558,113</u>
<i>Total 2016</i>	<u>1,615,561</u>	<u>583,480</u>	<u>359,072</u>	<u>2,558,113</u>	

In 2016, of total expenditure, £Nil was to unrestricted funds, £2,159,397 was to restricted funds and £398,716 was to restricted fixed asset funds.

**FLAMSTEAD END SCHOOL**  
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**7. CHARITABLE ACTIVITIES**

	2017 £	2016 £
Direct costs	1,608,742	1,575,704
Support costs	836,124	982,409
<b>Total</b>	<b>2,444,866</b>	<b>2,558,113</b>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	283,889	247,945
Depreciation	77,382	58,327
Technology costs	9,992	10,778
Premises costs	371,797	553,814
Other support costs	78,894	96,687
Governance costs	14,170	14,858
<b>Total</b>	<b>836,124</b>	<b>982,409</b>

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

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned or leased by the Trust	77,382	58,327
Auditor's remuneration - audit	4,750	4,750
Auditor's remuneration - non audit (including internal audit)	6,250	7,300

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**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,313,400	1,307,184
Social security costs	104,736	68,838
Operating costs of defined benefit pension schemes	274,665	239,539
	<u>1,692,801</u>	<u>1,615,561</u>

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

	2017 No.	2016 No.
Teachers	20	21
Administration and support	39	39
Management	5	6
	<u>64</u>	<u>66</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	20	18
Administration and support	24	28
Management	4	6
	<u>48</u>	<u>52</u>

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

	2017 No.	2016 No.
In the band £ 80,001 - £ 90,000	1	1

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust was £394,459 (2016: £365,030).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and 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:

**S Killey (Staff)**

Remuneration £75,000-£80,000 (2016: £75,000-£80,000)

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

**K Perry (Staff)**

Remuneration £50,000-£55,000 (2016: £45,000-£50,000)

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

**F Alder (Staff)**

Remuneration £50,000-£55,000 (2016: £50,000-£55,000)

Employer's pension contributions £5,000-£10,000 (2016: £5,000-£10,000)

**K Palgrave (Staff)**

Remuneration £5,000-£10,000 (2016: £15,000-£20,000)

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

During the year ended 31 August 2017, travel and subsistence expenses totalling £192 were reimbursed or paid directly to 1 Trustee (2016: £155).

Other related party transactions involving the Trustees are set out in note 22.

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

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

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2016	3,575,836	133,485	172,667	3,881,988
Additions	-	26,316	12,834	39,150
Disposals	-	(101)	(815)	(916)
At 31 August 2017	3,575,836	159,700	184,686	3,920,222
<b>Depreciation</b>				
At 1 September 2016	89,030	28,133	49,710	166,873
Charge for the year	29,667	13,275	34,440	77,382
On disposals	-	-	(84)	(84)
At 31 August 2017	118,697	41,408	84,066	244,171
<b>Net book value</b>				
At 31 August 2017	3,457,139	118,292	100,620	3,676,051
At 31 August 2016	3,486,806	105,352	122,957	3,715,115

**13. DEBTORS**

	2017 £	2016 £
VAT recoverable	21,034	7,183
Prepayments and accrued income	44,781	44,209
	<u>65,815</u>	<u>51,392</u>

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

	2017 £	2016 £
Trade creditors	1,116	126
Other taxation and social security	28,701	27,871
Other creditors	29,773	26,286
Accruals and deferred income	259,953	178,011
	<u>319,543</u>	<u>232,294</u>
	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	81,596	50,577
Resources deferred during the year	64,087	81,596
Amounts released from previous years	(81,596)	(50,577)
	<u>64,087</u>	<u>81,596</u>
Deferred income at 31 August 2017	64,087	81,596

The deferred income in the year represents universal free school meals income received in advance of £41,679, early years funding received in advance of £9,611 with the remainder relating to various income streams lower than £5,000.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	326,750	60,029	(60,862)	34,284	-	360,201
<b>Restricted funds</b>						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	63,140	1,654,383	(1,583,893)	(38,318)	-	95,312
Pupil Premium	-	125,739	(125,739)	-	-	-
Restricted trip donations	-	22,027	(22,027)	-	-	-
Pre-School	11,597	98,603	(75,916)	(34,284)	-	-
Other ESFA/DFE	-	85,615	(85,615)	-	-	-
Other LA income	-	166,124	(166,124)	-	-	-
Pension reserve	(1,030,000)	-	(68,000)	-	436,000	(662,000)
	(955,263)	2,152,491	(2,127,314)	(72,602)	436,000	(566,688)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	3,715,115	-	(77,382)	38,318	-	3,676,051
Devolved Formula Capital (DFC)	-	9,488	(9,488)	-	-	-
Condition Improvement Grant	-	177,726	(169,820)	-	-	7,906
	3,715,115	187,214	(256,690)	38,318	-	3,683,957
<b>Total restricted funds</b>	2,759,852	2,339,705	(2,384,004)	(34,284)	436,000	3,117,269
<b>Total of funds</b>	3,086,602	2,399,734	(2,444,866)	-	436,000	3,477,470

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	261,750	65,000	-	-	-	326,750
	261,750	65,000	-	-	-	326,750



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

**Restricted funds**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	1,692,433	(1,610,491)	(18,802)	-	63,140
Pupil Premium	-	138,759	(138,759)	-	-	-
Restricted trip donations	-	24,545	(24,545)	-	-	-
Other government grants	-	7,105	(7,105)	-	-	-
Pre-School	(4,435)	127,059	(111,027)	-	-	11,597
Other ESFA/DfE	-	77,631	(77,631)	-	-	-
Other LA income	-	155,839	(155,839)	-	-	-
Pension reserve	(633,000)	-	(34,000)	-	(363,000)	(1,030,000)
	<u>(637,435)</u>	<u>2,223,371</u>	<u>(2,159,397)</u>	<u>(18,802)</u>	<u>(363,000)</u>	<u>(955,263)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	3,754,640	-	(58,327)	18,802	-	3,715,115
Devolved Formula Capital (DFC)	-	9,252	(9,252)	-	-	-
Condition Improvement Grant	331,137	-	(331,137)	-	-	-
	<u>4,085,777</u>	<u>9,252</u>	<u>(398,716)</u>	<u>18,802</u>	<u>-</u>	<u>3,715,115</u>
Total restricted funds	<u>3,448,342</u>	<u>2,232,623</u>	<u>(2,558,113)</u>	<u>-</u>	<u>(363,000)</u>	<u>2,759,852</u>
Total of funds	<u>3,710,092</u>	<u>2,297,623</u>	<u>(2,558,113)</u>	<u>-</u>	<u>(363,000)</u>	<u>3,086,602</u>

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

**Pupil Premium**

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Restricted Trip Donations**

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

**Pre School**

Government grants and parental contributions were received to enable the facilities to pay all staff together with other services and obligations. The Pre-school is run under the Academy name.

The pre-school balance of £34,284 has been transferred to unrestricted funds to reflect an accumulation of line and senior management time, plus administrative work undertaken by school office staff since conversion on 01/04/2013.

**Other ESFA/DfE**

This represents funding received from the ESFA/DfE which is restricted in nature.

**Pension Reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

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

**Restricted Fixed Asset Fund**

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

**Devolved Formula Capital (DFC) Fund**

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

**Conditional Improvement Grant**

The Trust is to use this funding for the purpose of upgrading and replacing the heating system throughout the school.

**Transfers**

The transfer between funds represents the net adjustment for additions purchased during the year.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,676,051	3,676,051
Current assets	775,056	-	7,906	782,962
Creditors due within one year	(414,855)	95,312	-	(319,543)
Provisions for liabilities and charges	-	(662,000)	-	(662,000)
	<u>360,201</u>	<u>(566,688)</u>	<u>3,683,957</u>	<u>3,477,470</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	3,715,115	3,715,115
Current assets	559,044	74,737	-	633,781
Creditors due within one year	(232,294)	-	-	(232,294)
Provisions for liabilities and charges	-	(1,030,000)	-	(1,030,000)
	<u>326,750</u>	<u>(955,263)</u>	<u>3,715,115</u>	<u>3,086,602</u>

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

	2017 £	As restated 2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(45,132)	(260,490)
<b>Adjustment for:</b>		
Depreciation charges	77,382	58,327
Dividends, interest and rents from investments	(417)	(644)
Loss on the sale of fixed assets	832	569
(Increase)/decrease in debtors	(14,423)	71,803
Increase/(decrease) in creditors	87,249	(60,697)
Defined benefit pension scheme cost less contributions payable	68,000	34,000
<b>Net cash provided by/(used in) operating activities</b>	<b>173,491</b>	<b>(157,132)</b>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	717,147	582,389
<b>Total</b>	<b>717,147</b>	<b>582,389</b>

**19. 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.

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**20. 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 Hertfordshire 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 £29,629 were payable to the schemes at 31 August 2017 (2016 - 26,138) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £128,185 (2016 - £125,069).

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. 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 2017 was £119,000 (2016 - £131,000), of which employer's contributions totalled £96,000 (2016 - £106,000) and employees' contributions totalled £23,000 (2016 - £25,000). The agreed contribution rates for future years are 25.3% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Expected return on scheme assets at 31 August	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	1,409,298	1,812,234
Discount rate -0.1%	1,472,702	1,893,766
Mortality assumption - 1 year increase	1,452,528	1,864,118
Mortality assumption - 1 year decrease	1,429,472	1,841,882
CPI rate +0.1%	1,466,938	1,878,942
CPI rate -0.1%	1,415,062	1,827,058

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	504,000	518,000
Corporate bonds	194,000	230,000
Property	54,000	58,000
Cash and other liquid assets	23,000	17,000
<b>Total market value of assets</b>	<b>775,000</b>	<b>823,000</b>

The actual return on scheme assets was £(163,000) (2016 - £103,000).

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**20. 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	(143,000)	(116,000)
Interest income	18,000	24,000
Interest cost	(39,000)	(48,000)
<b>Total</b>	<b>(164,000)</b>	<b>(140,000)</b>

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

	2017 £	2016 £
Opening defined benefit obligation	1,853,000	1,222,000
Current service cost	143,000	116,000
Interest cost	39,000	48,000
Employee contributions	23,000	25,000
Actuarial (losses)/gains	(617,000)	442,000
Benefits paid	(4,000)	-
<b>Closing defined benefit obligation</b>	<b>1,437,000</b>	<b>1,853,000</b>

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

	2017 £	2016 £
Opening fair value of scheme assets	823,000	589,000
Interest income	18,000	24,000
Actuarial (losses)/gains	(181,000)	79,000
Employer contributions	96,000	106,000
Employee contributions	23,000	25,000
Benefits paid	(4,000)	-
<b>Closing fair value of scheme assets</b>	<b>775,000</b>	<b>823,000</b>

**21. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	1,801	1,801
Between 1 and 5 years	-	1,801
<b>Total</b>	<b>1,801</b>	<b>3,602</b>

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**22. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.