

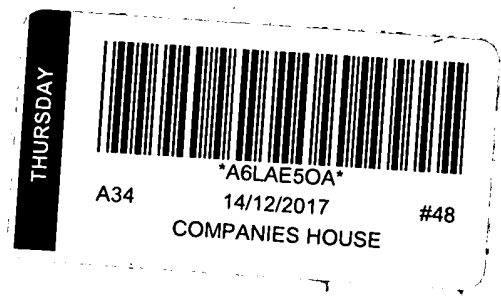
# **Townfield Primary School**

Financial Statements

Year Ended

31 August 2017

Company Number 09119526



**Townfield Primary School**  
**(A Company Limited by Guarantee)**

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**Townfield Primary School**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details**  
**For the Year Ended 31 August 2017**

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<b>Members</b>	Edward Behan Janet Taylor Paul Natton Judith Roach (resigned 21 July 2017)
<b>Trustees</b>	Mr J Moorhead Mr N Court Mrs A Shillinglaw Mrs L Carroll Mr D Stitche Mrs L Kelly (resigned 31 December 2016) Mr T McDonough (appointed 1 September 2017) Mrs K Griffiths Mrs C Prosser (appointed 1 September 2017)
<b>Company registered number</b>	09119526
<b>Company name</b>	Townfield Primary School
<b>Principal and registered office</b>	Townfield Lane Prenton CH43 2LH
<b>Company secretary</b>	Miss M Anderson
<b>Independent auditors</b>	BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH
<b>Bankers</b>	Lloyds Bank Wirral Birmingham OSC 4 Ariel House 2138 Coventry Road Sheldon B26 3JW
<b>Solicitors</b>	Hill Dickinson No. 1 St. Pauls Square Liverpool L3 9SJ

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report** **For the Year Ended 31 August 2017**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law. Comparative figures in the financial statements are for the period 1 September 2016 to 31 August 2017.

The trust operates an academy for pupils aged 2 to 11 serving a catchment area in Wirral. It has a pupil capacity of 426 and had a roll of 566 in the school census on 18 May 2017.

#### **Structure, Governance and Management**

##### **Constitution**

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

The Trustees of Townfield Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Townfield Primary School. Details of the Trustees who served during the year are included in the Reference and Administrative Details 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.

##### **Trustees' Indemnities**

There have been no third party indemnity provisions during the financial year.

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

The Members (listed on page 1) may appoint up to 17 Governors and may appoint Staff Governors through such process as they may determine.

The total number of Governors (including the Head Teacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

Subject to Article 57, Parent Governors shall be elected by parents of registered pupils at the academy. A Parent Governor must be a parent of a pupil at the academy at the time when he is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the academy. Any election of Parent Governors which is contested shall be held by secret ballot.

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

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

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

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

When seeking to recruit new Trustees the Members will meet to discuss the skills gaps within the existing Governing Body and recruit someone with the skills to fill any such gaps.

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

Any new Trustee is met prior to the first meeting by one of the Members. They are given a Governor induction pack containing lots of useful information about the school including key documents such as the 'Articles of Association'. They are asked to complete a skills analysis and any further training needs discussed. Governors receive regular training on financial management and Governor legislation. Other training is provided such as safer recruitment and safeguarding training specifically to those who require it for duties undertaken as part of their role. Any additional training needs can be discussed with the Clerk to Governors.

#### **Organisational Structure**

##### **Governing Body/Trustees**

The governing body has overall responsibility for administration of the Academy's finances. The main financial responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and the DfE. The main responsibilities include:

- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended;
- Approval of the annual budget and any material changes;
- Ensure a Scheme of Delegation is in place;
- Ensure assets are managed;
- Ensure accurate accounting records are maintained;
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure;
- Approval of the Annual Statutory Account.

The main financial responsibilities of the Governing Body are detailed in their terms of Reference, these include:

- Initial review and recommendation to the Governing Body of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body;
- To review the financial policies of the academy and where necessary make recommendations to the GB.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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#### **Head Teacher (Accounting Officer)**

The Head Teacher has overall executive responsibility for the Academy. The Head Teacher retains responsibilities for:

- Approving new staff appointments within the authorised establishment;
- Authorising contracts up to the amount stated in the Scheme of Delegation, reporting these decisions to monthly meetings;
- Signing cheques as detailed in the scheme of delegation;
- Debit Card Holder;
- On-Line Banking & BACS Authorisation.

The funding agreement identified the Head Teacher as the Accounting Officer who is personally responsible to the governing body for;

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy.

The Accounting Officer has the duty to take action if the Governing Body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the governing body details sent to the Permanent Secretary and the academy's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

#### **School Business Manager (Chief Financial Officer)**

The School Business Manager works in close collaboration with the Head Teacher through whom he is responsible to the Governors. The School Business Manager also has direct access to the Governors via monthly meetings. The main responsibilities of the School Business Manager are;

- The day to day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of academy's financial position at strategic and operational level;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- Preparation of monthly management accounts;
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines;
- Signing cheques / authorising BACs in accordance with the Bank Mandates;
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Academy's payroll service provider;
- Management of the Academy's Service Level Agreements;
- Authorising orders and the award of contracts up to the amount stated in the Scheme of Delegation;
- Signing cheques as detailed in the scheme of delegation;
- Debit Card Holder;
- On-Line Banking & BACS Authorisation.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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#### **Responsible Officer**

Checks and balances need to be put in place to ensure that the financial management arrangements within the Academy are monitored. The DfE (Department for Education) recommends a Responsible Officer (RO) is appointed to fulfil this role. The Academy Trustees will act jointly as the Responsible Officers.

The Responsible Officer is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the governing body within on-going independent assurance that:

- The financial responsibilities of the governing body are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

The Governing Body appointed Mrs Poland from the local Authority LMS Team (former Bursar of the school) in September 2014 to act as an external body to independently undertake the duties of the Responsible Officer. A programme of checks will be agreed with the governing body and Mrs Poland will carry out financial reviews in order to provide the governing body and indirectly the Department for Education with the required assurance. These reviews will be undertaken termly.

The RO will undertake the checks and balances in line with the recommendations shown in the Financial Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month.
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance and Personnel committee minutes)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.

Mrs Poland will produce a full report after each RO visit to the Academy's Members who will personally report findings of each visit to the Governing Body.

#### **Finance Administrator**

The Finance Administrator works in close collaboration with and is directly responsible to the School Business Manager. The main responsibilities include;

- Day to day running of School Cash Office
- Cash collection
- Weekly banking
- Order and invoice processing

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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#### **Deputy Head Teacher**

The Deputy Head Teacher will assume the financial responsibilities if the Head Teacher is absent.

#### **Arrangements for Setting Pay and Remuneration of Key management Personnel**

The Academy has its own performance management policy that is reviewed and approved by the trustees annually. All staff have an annual performance management review and the Academy follows the national pay and conditions for teachers and the LA pay and conditions for Non-teaching staff.

#### **Connected Organisations including Related Party Relationships**

Townfield Primary school no longer has any connected organisations.

#### **Objectives and Activities**

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy).

#### **Objects and Aims**

- (a) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Academy Trust;
- (b) to raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- (c) to acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;
- (d) subject to Article 6 below to employ such staff, as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants;
- (e) to establish or support, whether financially or otherwise, any charitable companies, trusts, associations or institutions formed for all or any of the Object;
- (f) to co-operate with other charities, other independent and maintained schools, schools maintained by a local authority, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them;
- (g) to pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy Trust;
- (h) to establish, maintain, carry on, manage and develop the Academy at Townfield Lane, Prenton, CH43 2LH;
- (i) to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- (j) to provide educational facilities and services to students of all ages and the wider community for the public benefit;



# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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- (k) to carry out research into the development and application of new techniques in education in particular in relation to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies;
- (l) subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the Academy Trust to borrow and raise money for the furtherance of the Object in such manner and on such security as the Academy Trust may think fit;
- (m) to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification);
- (n) to delegate the management of investments to a financial expert, but only on terms that:
  - (i) the investment policy is set down in writing for the financial expert by the Governors;
  - (ii) every transaction is reported promptly to the Governors;
  - (iii) the performance of the investments is reviewed regularly with the Governors;
  - (iv) the Governors are entitled to cancel the delegation arrangement at any time;
  - (v) the investment policy and the delegation arrangement are reviewed at least once a year;
  - (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt; and
  - (vii) the financial expert must not do anything outside the powers of the Governors.
- (o) to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Governors or of a financial expert acting under their instructions, and to pay any reasonable fee required;
- (p) to provide indemnity insurance to Governors in accordance with, and subject to the conditions of section 232 to 235 of the Companies Act 2006, section 189 of the Charities Act 2011 or any other provision of law applicable to charitable companies and any such indemnity is limited accordingly;
- (q) to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy Trust;
- (r) to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object.

#### **Objectives, Strategies and Activities**

The main objective during this financial year for the academy was to improve reading outcomes at the end of all phases. This was achieved at all notable exit points. From a financial perspective the aim was to maintain a healthy surplus and ensure good value for money.

#### **Public Benefit**

The Trustees are fully aware of the charities purpose and have complied with their duty to regard public benefit asset out in the guidance by the Charity Commission.

# Townfield Primary School (A Company Limited by Guarantee)

## Trustees' Report (continued) For the Year Ended 31 August 2017

### Strategic Report

#### Achievements and Performance

The academy continues to be heavily oversubscribed and has achieved a band 1 status using the Local Authority criteria. It has recently been graded as Good by Ofsted in its inspection of July 2017. Outcomes for children across the school are well-above national and local averages (please see tables below).

#### Early Years Foundation Stage – Achieving a Good Level of Development

Townfield 2017	LA 2017	National 2017
75%	69%	71%

These results represent our best ever outcomes in the EYFS.

#### Year 1 Phonics Screening

Townfield 2017	LA 2017	National 2017
92%	76%	81%

#### Key Stage 1 Results

	At the Expected Level of Greater			Working at Greater Depth		
	TPS 2017	LA 2017	Nat 2017	TPS 2017	LA 2017	Nat 2017
Reading	86%	73%	76%	29%	21%	25%
Writing	73%	66%	68%	17%	12%	16%
Maths	80%	70%	75%	24%	16%	21%

#### Key Stage 2 Results

Subject	Townfield 2017	LA 2017	National 2017
Reading	77%	70%	71%
Mathematics	80%	71%	75%
Spelling, Punctuation and Grammar	86%	75%	77%
Writing (TA)	80%	74%	76%

#### Key Performance Indicators

In its second year the academy has secured a healthy surplus. The Governors understand the need to manage cash flow and keep reserves for unforeseen circumstances. The academy continues to be one of the most oversubscribed schools on the Wirral. The academy is in line with a Local Authority band 1 grade and has an attendance percentage of 96%. Externally reported examination results are well above local and national averages, as you can see in the table above.

#### Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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#### **Financial Review**

The board of Trustees is happy that the Academies finances are healthy and the third year as an Academy has been a success. A budget for the following financial year has been set without the use of any of the Academies generous surplus. The Trustees have kept up to date with its financial policies and procedures covering all financial activity of the Academy. The Academies principal source of funding comes from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG). Other Income from the ESFA such as Pupil Premium, Infant Free School Meals and the Education Services Grant (ESG) also help significantly to contribute to the overall income the Academy receives. Just over 77% of the Academies expenditure is used on staffing resources to ensure the best possible staff are employed and retained to meet the Trustees objective to advance the education of the children enrolled at the Academy. Other expenditure is used to ensure the working environment for stakeholders is maintained and developed to get the best learning potential, where people feel happy and safe. The trusts policy is to keep a level of reserves that accounts for in year cashflow variations and any potential unexpected expenditure, although the academies insurance is likely to cover most of these incidents. Any reserve above the agreed level is to be spent in the best, agreed way to enhance the trusts objective for the children at the Academy in the year the additional reserves relate to. With regards to investment, at present it is the Trusts policy that the Academy will not make any investments. This is to be regularly reviewed but will not change without the trusts agreement. The Academy inherited a Local Government Pension Scheme (LGPS) deficit on conversion. In year this deficit has reduced from £1.5 million to £1.4 million. Overall combined restricted and unrestricted funds have increased from £168k to £177k.

#### **Reserves Policy**

It has been agreed that the Academies reserve will be £100,000 and will remain in the Academies main bank account to cover in year cashflow variances, within this figure there is also reserves to cover unexpected costs such as redundancy and ill health retirement that the Academy was previously covered for by the Local Authority (LA). The reserve in place is unrestricted funds so can therefore be used under any circumstance.

#### **Investment Policy**

The trust of the Academy establishes and regularly reviews the Investment Policy. As explained above, the Academy trust does not currently invest any of its reserve funds.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Trustees' Report (continued)** **For the Year Ended 31 August 2017**

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#### **Principal Risks and Uncertainties**

The board of Trustees can confirm that risks to the Academy have been identified in the form of a risk register and where necessary steps have been taken to reduce the risks identified. Risks will be reviewed at least annually but will be referred to if any significant internal or external factors change. From the initial review the main areas of risk established are summarised in the following headings;

- Strategic and reputational risks – This section includes looking at the risk of;
  - o Not recruiting sufficient learners
  - o Failure of meeting objectives
  - o Knowledge about local competitors
  - o Having inadequate insurance cover
  - o Failure to recruit Governors with the correct profile
- Operational risks - This section includes looking at the risk of;
  - o Failure to produce quality management information.
  - o Failure to ensure staff possess the correct skills and experience.
  - o Goods and services not being purchased in line with financial regulations.
  - o Failure to implement a risk management strategy.
- Compliance risks – This section includes looking at the risk of;
  - o Failure to comply with employee legislation.
  - o Failure to comply with environmental legislation.
  - o Not having policies and procedures to ensure data protection legislation is followed.
  - o Failure to ensure compliance to Tax and Charity legislation.
- Financial risks - This section includes looking at the risk of;
  - o Not maintaining financial control of the budget.
  - o Failure to ensure financial systems are suitable.
  - o Having an inadequate disaster recovery plan.
  - o Failure to collect income due.
  - o Failure to ensure expenditure is not controlled

Of the risks currently established the board are happy to confirm that none of the risks identified currently pose a significant risk to the Academy as all have adequate control measures in place. The Academy also has a clear Risk Management Plan outlining roles and responsibilities for managing risks.

#### **Plans for Future Periods**

Trustees regularly discuss the short, medium and long term vision for the academy. In the short term the vision is to maintain and build on the recent 'good' rated Ofsted, continuing to do what the Academy does well embedding the newly appointed headteacher's ethos and values. In the medium term the Academy is keen to expand to three form entry and is currently in the process of developing a CIF bid to the ESFA to fund this expansion. Consistency in results in the medium to long term will be the key to the longer term aim of becoming an 'Outstanding' school.

The Academy also has a second application ready to submit to the ESFA for capital funding to improve the physical infrastructure the school, with an outcome due early next year.

#### **Funds Held as Custodian Trustee on Behalf of Others**

No funds are held as custodian on behalf of others.

**Townfield Primary School  
(A Company Limited by Guarantee)**

**Trustees' Report (continued)  
For the Year Ended 31 August 2017**

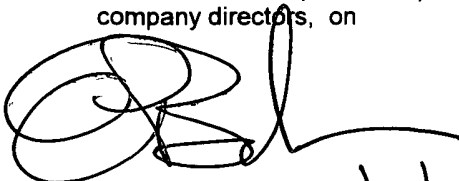
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**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on \_\_\_\_\_ and signed on its behalf by:

  
**Edward Behan**  
Trustee

11/12/17

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Governance Statement**

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#### **Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Townfield Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

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

Trustee	Meetings attended	Out of a possible
Mr E Behan	8	11
Mrs K Lee	11	11
Miss J Taylor	11	11
Mr P Natton	8	11
Mr T McDonough	3	11
Mrs J Roach (Resigned July 2017)	3	11
Mrs L Kelly (Resigned December 2016)	2	4
Mrs L Carroll	9	11
Mrs K Griffiths	9	11
Mr J Moorhead	7	11
Mr N Court	10	11
Mrs A Shillinglaw	8	11
Mr D Stitcher (Head Teacher and accounting officer)	11	11

During this year Mrs J Roach and Mrs L Kelly have both resigned as Trustees. Mrs J Roach also resigned from her position as a member.

The biggest challenge for the board continues to be the lack of hall space required for a school of our size. The current hall is inadequate for the needs of the school for many reasons. Firstly, lunchtimes have had to be extended due to the introduction of free school meals as the current hall can't cope with the additional children having hot dinners. The Academy is also unable to have full school assemblies or hold productions as the hall is too small. A new funding application is being submitted to incorporate this into the overall school expansion.

#### **Governance reviews:**

The Trustees now meet once a month and discuss all matters in relation to the Academy including finances, premises, staffing and curriculum. The board of Trustees act as the audit committee and have appointed an independent competent person to carry out internal inspections on a termly basis providing reports to the Trustees.

No issues have arisen during this accounting period.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Governance Statement (continued)**

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#### **Review of Value for Money**

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

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

- Increasing numbers in pre-school to generate additional income.
- Having clear procurement procedures requiring quotations for anything over the value of £1,500.
- Reviewing regularly Service Level Agreements (SLA's) and comparing them to other available options.
- Monitoring staff absence and robustly following absence procedures to reduce supply costs.
- Reviewing pricing structure for pre-school comparing to other local private nurseries.
- Regularly reviewing staffing structures.

#### **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 on-going process designed to identify and prioritise the risks to the achievement of academy 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 Townfield Primary School for the period 01 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **The Risk and Control Framework**

The academy 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 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.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Governance Statement (continued)**

The board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Mrs Poland, who is AAT qualified as internal auditor to complete the work of the responsible officer on behalf of the Trustees who collectively have been give the role of the Responsible Officers. In addition to this the Trustees have appointed BDO to complete the annual external audit of the Academy accounts.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems such as;

- Checking correct authorisation of orders, payroll forms and timesheets as per the scheme of delegation.
- Checking bank reconciliations.
- Checking samples of journals.
- Checking prompt payment of Invoices.
- Ensuring orders are raised for any applicable invoices.

On a termly basis, the auditor 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.

#### **Review of Effectiveness**

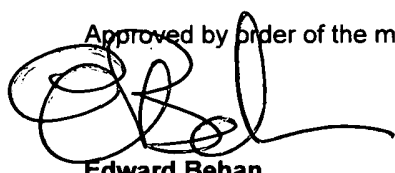
As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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

and signed on their behalf, by:



**Edward Behan**  
Trustee

11/12/17



**Doug Stitcher**  
Accounting Officer

11/12/17



**Townfield Primary School  
(A Company Limited by Guarantee)**

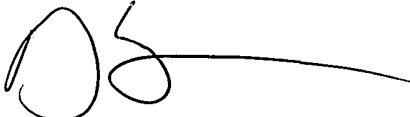
**Statement on Regularity, Propriety and Compliance**

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

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

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



**Doug Stitcher**  
**Accounting Officer**

11/12/17

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Statement of Trustees' Responsibilities** **For the Year Ended 31 August 2017**

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

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

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

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

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

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

Approved by order of the members of the board of trustees on

and signed on its behalf by:



**Edward Behan**  
**Chair of Trustees**

u/12/17

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Independent Auditors' Report on the Financial Statements to the Members of Townfield Primary School**

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#### **Opinion**

We have audited the financial statements of Townfield Primary School ("the Academy") for the year ended 31 August 2017 which comprise the statement of financial activities (incorporating income and expenditure account), balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the Education & Skills Funding Agency ("the ESFA").

In our opinion, the financial statements:

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Independent Auditors' Report on the Financial Statements to the Members of Townfield Primary School**

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#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinion on other matter 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, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the strategic report, has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are 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 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Townfield Primary School  
(A Company Limited by Guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Townfield Primary School**

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

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)

for and on behalf of

**BDO LLP**

5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

Date: 12/12/17

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Independent Reporting Accountants' Assurance Report on Regularity to Townfield Primary School and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 17 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in Part 9 of the Academies Accounts Direction 2016 to 2017 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Townfield Primary School during the year 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 Townfield Primary School and to the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Townfield Primary School and to 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 Townfield Primary School and to the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Townfield Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Townfield Primary School funding agreement with the Secretary of State for Education dated 30 September 2014 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 (SORP 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 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 work in accordance with the Academies Accounts Direction 2016 to 2017 (SORP 2015) issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

**Townfield Primary School  
(A Company Limited by Guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Townfield Primary School and  
the Education and Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*BDO LLP*

Hamid Ghafoor (Senior Statutory Auditor)

**BDO LLP**

5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

Date: *12/12/17*

**Townfield Primary School**  
**(A Company Limited by Guarantee)**

**Statement of Financial Activities Incorporating Income and Expenditure Account**  
**For the Year Ended 31 August 2017**

		Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
	Note					
<b>Income from:</b>						
Donations and capital grants	2	-	-	173	173	9
Charitable activities	3	149	2,222	-	2,371	2,436
Other trading activities	4	80	-	-	80	36
<b>Total income</b>		<b>229</b>	<b>2,222</b>	<b>173</b>	<b>2,624</b>	<b>2,481</b>
<b>Expenditure on:</b>						
Raising funds	5	71	335	-	406	383
Charitable activities	5	(1)	2,202	79	2,280	2,237
<b>Total expenditure</b>	5	<b>70</b>	<b>2,537</b>	<b>79</b>	<b>2,686</b>	<b>2,620</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>						
		<b>159</b>	<b>(315)</b>	<b>94</b>	<b>(62)</b>	<b>(139)</b>
Actuarial gains/(losses) on defined benefit pension schemes	20	-	267	-	267	(730)
<b>Net movement in funds</b>		<b>159</b>	<b>(48)</b>	<b>94</b>	<b>205</b>	<b>(869)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		(72)	(1,305)	4,349	2,972	3,841
<b>Total funds carried forward</b>		<b>87</b>	<b>(1,353)</b>	<b>4,443</b>	<b>3,177</b>	<b>2,972</b>

All of the academy's activities derive from continuing operations during the above two financial periods.

The notes on pages 25 to 43 form part of these financial statements.




**Townfield Primary School**  
**(A Company Limited by Guarantee)**  
Registered number: 09119526

**Balance Sheet**  
**As at 31 August 2017**

	Note	£000	2017 £000	As restated 2016 £000
<b>Fixed assets</b>				
Tangible assets	12		4,355	4,349
<b>Current assets</b>				
Debtors	13	49		54
Cash at bank and in hand		394		294
		<u>443</u>		<u>348</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(178)</u>		<u>(180)</u>
<b>Net current assets</b>			<u>265</u>	<u>168</u>
<b>Total assets less current liabilities</b>			<u>4,620</u>	<u>4,517</u>
Defined benefit pension scheme liability	20		<u>(1,443)</u>	<u>(1,545)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>3,177</u></u>	<u><u>2,972</u></u>
<b>Funds of the academy</b>				
Restricted income funds:				
Restricted income funds	15	90		240
Restricted fixed asset funds	15	<u>4,443</u>		<u>4,349</u>
Restricted income funds excluding pension liability		<u>4,533</u>		<u>4,589</u>
Pension reserve		<u>(1,443)</u>		<u>(1,545)</u>
Total restricted income funds			<u>3,090</u>	<u>3,044</u>
Unrestricted income funds	15		<u>87</u>	<u>(72)</u>
<b>Total funds</b>			<u><u>3,177</u></u>	<u><u>2,972</u></u>

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

 u/12/17  
**Edward Behan**  
Chair of Trustees

The notes on pages 25 to 43 form part of these financial statements.

# Townfield Primary School

## (A Company Limited by Guarantee)

### Statement of Cash Flows For the Year Ended 31 August 2017

	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	17	(3)	(42)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets	12	(70)	(65)
Capital grants from DfE/ESFA		173	9
<b>Net cash provided by/(used in) investing activities</b>		<b>103</b>	<b>(56)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>100</b>	<b>(98)</b>
Cash and cash equivalents brought forward		294	392
<b>Cash and cash equivalents carried forward</b>	18	<b>394</b>	<b>294</b>

The notes on pages 25 to 43 form part of these financial statements.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 August 2017**

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#### **1. Accounting Policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

##### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Townfield Primary School constitutes a public benefit entity as defined by FRS 102.

##### **1.2 Going concern**

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

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 August 2017**

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#### **1. Accounting Policies (continued)**

##### **1.3 Income**

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 trust's policies.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 August 2017**

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#### **1. Accounting Policies (continued)**

##### **1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

##### **1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold buildings	-	Over the life of the building
Motor vehicles	-	5 years
Fixtures and fittings	-	10 Years
Computer equipment	-	3 Years

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

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

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 August 2017**

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#### **1. Accounting Policies (continued)**

##### **1.6 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.

##### **1.7 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.

##### **1.8 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.

##### **1.9 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

##### **1.10 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.

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 August 2017**

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#### **1. Accounting Policies (continued)**

##### **1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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.

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

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

##### **1.12 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 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.

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 1. Accounting Policies (continued)

##### 1.13 Critical accounting estimates and areas of judgment

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

##### *Critical accounting estimates and assumptions:*

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

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

##### *Critical areas of judgment:*

The most important factor in determining the amount of GAG the school received each year is the number of pupils on roll. Regular reports are provided to Members of the Finance Committee estimating the size of the School Budget. These are updated as and when changes take place with regards to intakers.

A significant factor in determining the amounts reflected in the financial statements would be any decision to become a Multi Academy Trust. This decision has not been taken by the school although the situation is constantly monitored by the Governing Body of the school.

#### 2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Capital Grants	-	-	173	173	9
<i>Total 2016</i>	-	-	9	9	



# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,681	1,681	1,701
Other DfE/ESFA grants	-	118	118	115
	-	1,799	1,799	1,816
<b>Other government grants</b>				
Local authority grants	-	246	246	240
Other government grants	-	95	95	113
	-	341	341	353
<b>Other funding</b>				
Other income	149	-	149	130
School fund	-	82	82	137
	149	82	231	267
	149	2,222	2,371	2,436
<i>Total 2016</i>	130	2,306	2,436	

#### 4. Trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>Charity trading income</b>				
Staff consultancy	64	-	64	20
Catering income	16	-	16	16
	80	-	80	36
	80	-	80	36
<b>Net income from trading activities</b>				
<i>Total 2016</i>	36	-	36	

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 5. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on raising voluntary income	330	3	73	406	383
Activities:					
Direct costs	928	-	98	1,026	1,008
Support costs	760	210	284	1,254	1,229
	<u>2,018</u>	<u>213</u>	<u>455</u>	<u>2,686</u>	<u>2,620</u>
Total 2016	<u>1,867</u>	<u>260</u>	<u>493</u>	<u>2,620</u>	

The Academy's education operations expenditure above totalling £2,686,000 (2016: 2,620,000) included £2,537,000 (2016: £2,466,000) used from restricted funds, £70,000 (2016: £75,000) used from unrestricted funds and £79,000 (2016: £79,000) used from restricted fixed asset funds.

#### 6. Analysis of expenditure by activities

	Direct costs 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Charitable activities	1,026	1,254	2,280	2,237
Total 2016	<u>1,008</u>	<u>1,229</u>	<u>2,237</u>	

#### Analysis of support costs

	Activities £000	Total 2017 £000	Total 2016 £000
Staff costs	760	760	682
Depreciation	79	79	79
Technology costs	23	23	12
Premises costs	132	132	181
Other costs	235	235	251
Governance costs	25	25	24
	<u>1,254</u>	<u>1,254</u>	<u>1,229</u>
At 31 August 2016	<u>1,229</u>	<u>1,229</u>	

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

**7. Net income/(expenditure)**

This is stated after charging:

	<b>2017 £000</b>	<b>2016 £000</b>
Depreciation of tangible fixed assets:		
- owned by the charity	79	79
Operating leases	3	6
	<u>          </u>	<u>          </u>

**8. Auditors' remuneration**

	<b>2017 £000</b>	<b>2016 £000</b>
Fees payable to the academy's auditor for the audit of the academy's annual accounts	11	11
Fees payable to the academy's auditor and its associates in respect of:		
Accountancy services	7	5
	<u>          </u>	<u>          </u>

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 9. Staff costs

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	1,516	1,427
Social security costs	117	86
Operating costs of defined benefit pension schemes	328	213
	<u>1,961</u>	<u>1,726</u>
Supply teacher costs	57	141
	<u>2,018</u>	<u>1,867</u>

#### Staff severance payments

There were no staff severance payments made during the current, or prior, period.

#### Staff numbers

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

	2017 No.	2016 No.
Teachers	13	15
Administrations and support	45	45
Management	6	6
	<u>64</u>	<u>66</u>

#### Higher paid staff

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	0
In the band £80,001 - £90,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2017 employer's pension contributions for these staff members amounted to £21,632 (2016: 1 employee £13,941).

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 9. Staff costs (continued)

##### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contribution and employer national insurance contribution) received by key management personnel for their services to the academy trust was £361,313 (2016: £357,473).

Disclosure of prior year key management personnel employee benefits has been restated to include employers national insurance contribution.

#### 10. Related party transactions - trustees remuneration and expenses

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:

		2017 £000	2016 £000
D Stitcher (Head Teacher and trustee)	Remuneration	60-65	45-50
	Pension contributions paid	10-15	0-5
K Lee (staff governor)	Remuneration	65-70	80-85
	Pension contributions paid	10-15	10-15
L Carroll (staff governor)	Remuneration	15-20	15-20
	Pension contributions paid	0-5	0-5
K Griffiths (staff governor):	Remuneration	10-15	15-20
	Pension contributions paid	0-5	0-5

During the year ended 31 August 2017, 1 Trustees received reimbursement of expenses amounting to £60 (2016 - £483 to 1 Trustee). 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 academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**Townfield Primary School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2017**

**12. Tangible fixed assets**

	Leasehold land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
<b>Cost</b>						
At 1 September 2016	4,207	2	132	140	-	4,481
Additions	23	-	5	3	54	85
At 31 August 2017	4,230	2	137	143	54	4,566
<b>Depreciation</b>						
At 1 September 2016	36	2	22	72	-	132
Charge for the year	19	-	13	47	-	79
At 31 August 2017	55	2	35	119	-	211
<b>Net book value</b>						
At 31 August 2017	4,175	-	102	24	54	4,355
At 31 August 2016	4,171	-	110	68	-	4,349

**13. Debtors**

	2017 £000	2016 £000
Trade debtors	2	-
Other debtors	7	-
Prepayments and accrued income	40	54
	49	54

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

	2017 £000	2016 £000
Trade creditors	38	1
Other taxation and social security	56	51
Accruals and deferred income	84	128
	178	180

**Townfield Primary School**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2017**

**14. Creditors: Amounts falling due within one year (continued)**

	2017 £000	2016 £000
<b>Deferred income</b>		
Deferred income at 1 September	33	86
Resources deferred during the year	29	33
Amounts released from previous years	(33)	(86)
	<u>29</u>	<u>33</u>
Deferred income at 31 August	<u>29</u>	<u>33</u>

**15. Statement of funds**

	As restated Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>					
Unrestricted funds	(72)	229	(70)	-	87
<b>Restricted funds</b>					
General Annual Grant (GAG)	240	1,681	(1,831)	-	90
Other DfE/ESFA grants	-	118	(118)	-	-
Other restricted income	-	423	(423)	-	-
Pension reserve	(1,545)	-	(165)	267	(1,443)
	<u>(1,305)</u>	<u>2,222</u>	<u>(2,537)</u>	<u>267</u>	<u>(1,353)</u>
<b>Restricted fixed asset funds</b>					
On transfer from conversion	4,008	-	(74)	-	3,934
DfE/ESFA capital grants	238	173	(4)	-	407
Capital expenditure from GAG	103	-	(1)	-	102
	<u>4,349</u>	<u>173</u>	<u>(79)</u>	<u>-</u>	<u>4,443</u>
Total restricted funds	<u>3,044</u>	<u>2,395</u>	<u>(2,616)</u>	<u>267</u>	<u>3,090</u>
Total of funds	<u>2,972</u>	<u>2,624</u>	<u>(2,686)</u>	<u>267</u>	<u>3,177</u>

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 15. Statement of funds (continued)

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

##### Unrestricted funds

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

##### Restricted general funds

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and other funders.

##### Restricted fixed asset funds

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

#### 16. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	15	4,340	4,355
Current assets	-	340	103	443
Creditors due within one year	87	(265)	-	(178)
Provisions for liabilities and charges	-	(1,443)	-	(1,443)
	<u>87</u>	<u>(1,353)</u>	<u>4,443</u>	<u>3,177</u>

#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(62)	(139)
<b>Adjustment for:</b>		
Depreciation charges	79	79
Decrease in debtors	5	17
Decrease in creditors	(17)	(41)
Capital grants from DfE and other capital income	(173)	(9)
Defined benefit pension scheme cost less contributions payable	127	20
Defined benefit pension scheme finance cost	38	31
<b>Net cash used in operating activities</b>	<u>(3)</u>	<u>(42)</u>



# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 18. Analysis of cash and cash equivalents

	2017 £000	2016 £000
Cash in hand	394	294
Total	<u>394</u>	<u>294</u>

#### 19. Capital commitments

At 31 August 2017 there were capital commitments of £136,429 that had been contracted for but not provided for in the financial statements, in relation to improvement works. Grant funding has been received for this anticipated expenditure.

#### 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 Hymans Robertson LLP. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

##### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 20. Pension commitments (continued)

##### Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £112,522 (2016 - £104,134).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £137,098 (2016 - £132,547), of which employer's contributions totalled £93,709 (2016 - £90,131) and employees' contributions totalled £43,389 (2016 - £42,416). The agreed contribution rates for future years are 13% for employers and 5.5-12.5% for employees.

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

##### Principal actuarial assumptions

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.20 %
Rate of increase in salaries	3.70 %	3.40 %
Rate of increase for pensions in payment / inflation	2.20 %	2.00 %
Inflation assumption (CPI)	2.20 %	1.90 %
Commutation of pensions to lump sums	50.00 %	50.00 %

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 20. Pension commitments (continued)

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	21.6 years	22.5 years
Females	24.7 years	25.4 years
Retiring in 20 years		
Males	24.2 years	24.9 years
Females	27.7 years	28.2 years

	At 31 August 2017 £000	At 31 August 2016 £000
<b>Sensitivity analysis</b>		
+ 0.1% p.a. discount rate	1,933	1,821
+ 0.1% p.a. inflation	2,063	1,948
+ 0.1% p.a. pay growth	2,018	1,917
1 year increase in life expectancy	2,032	1,916

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	290	176
Government bonds	19	16
Other bonds	67	40
Property	44	28
Cash and other liquid assets	27	13
Other	107	65
<b>Total market value of assets</b>	<b>554</b>	<b>338</b>

The actual return on scheme assets was £43,000 (2016 - £42,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(252)	(142)
Admin expenses	(4)	(4)
Net interest cost	(34)	(27)
<b>Total</b>	<b>(290)</b>	<b>(173)</b>

# Townfield Primary School

## (A Company Limited by Guarantee)

### Notes to the Financial Statements For the Year Ended 31 August 2017

#### 20. Pension commitments (continued)

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

	2017 £000	2016 £000
Opening defined benefit obligation	1,883	900
Current service cost	252	142
Interest cost	43	36
Employee contributions	43	42
Actuarial (gains)/losses	(224)	763
	<u>1,997</u>	<u>1,883</u>
Closing defined benefit obligation	<u>1,997</u>	<u>1,883</u>

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

	2017 £000	2016 £000
Opening fair value of scheme assets	338	136
Interest income	9	9
Actuarial losses	43	33
Employer contributions	125	122
Employee contributions	43	42
Administration expenses	(4)	(4)
	<u>554</u>	<u>338</u>
Closing fair value of scheme assets	<u>554</u>	<u>338</u>

	2017 £000	2016 £000
Total market value of assets	554	338
Present value of scheme liabilities - Funded	(1,997)	(1,883)
	<u>(1,443)</u>	<u>(1,545)</u>
Net pension obligation	<u>(1,443)</u>	<u>(1,545)</u>

#### 21. Operating lease commitments

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

	2017 £000	2016 £000
<b>Amounts payable:</b>		
Within 1 year	3	6
Between 1 and 5 years	-	3
	<u>3</u>	<u>9</u>
Total	<u>3</u>	<u>9</u>

# **Townfield Primary School**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements** **For the Year Ended 31 August 2017**

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#### **22. 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.

#### **23. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year, Townfield Primary School provided the services of their Deputy Head Teacher to Woodslee Primary School in the capacity as Acting Head Teacher. Townfield Primary School invoiced Woodslee Primary School fees amounting to £40,798 (2016 - £41,009) of which £Nil (2016 - £11,112) was outstanding as at 31 August 2017.

#### **24. Prior Year Adjustment**

The accounts have been restated to better reflect the nature of expenditure allocated against restricted and unrestricted funds. The overall funds position is unchanged with the adjustment being a reclassification of £216,000 between the two. The adjustment has thus resulted in restricted income funds decreasing to £240,000 and the unrestricted funds deficit decreasing to £72,000.