

**Registered number: 10699889 (United Kingdom)**

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Annual report and financial statements**

**For the period from 30 March 2017 to 31 August 2017**

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**Barnsole Primary Trust**  
**(A company limited by guarantee)**

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**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Reference and administrative details**  
**For the period ended 31 August 2017**

**Members**

D Valentine (appointed 30 March 2017)  
C Jarvis (appointed 30 March 2017)  
B Ball (appointed 30 March 2017)

**Trustees**

D Bailey, Vice Chairman (appointed 30 March 2017)<sup>2</sup>  
P Garvey (appointed 30 March 2017, resigned 31 October 2017)<sup>1</sup>  
M Greenwood (appointed 30 March 2017)  
M Hawkridge (appointed 30 March 2017)<sup>2</sup>  
K Smart (appointed 30 March 2017)  
D Valentine, Chairman (appointed 30 March 2017)<sup>2</sup>  
A Lingfield (appointed 30 March 2017)<sup>1</sup>  
P Croucher (appointed 30 March 2017)<sup>1,2</sup>  
K Jordan-Daus (appointed 30 October 2017)

<sup>1</sup> Co-opted Trustee

<sup>2</sup> Member of Finance and Audit committee

**Company registered number**

10699889

**Company name**

Barnsole Primary Trust

**Principal and registered office**

Barnsole Primary School  
Barnsole Road  
Gillingham  
Kent  
ME7 2JG

**Chief executive officer**

S McKeown

**Senior management team**

S McKeown, Principal and Accounting Officer  
L Taylor, Head of School  
S Ryan, Assistant Head  
E Shea, Assistant Head  
L J Arnold, Chief Financial Officer  
N Dillon, Head of NQT's  
R Gatland, Head of English  
H Mills, Head of Mathematics  
E Stevens, SENCO Co-Ordinator

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Reference and administrative details of the Academy Trust, its trustees and advisers**  
**For the period ended 31 August 2017**

**Advisers (continued)**

**Independent auditor**

Kreston Reeves LLP  
Statutory Auditor  
Chartered Accountants  
Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent  
ME4 4QU

**Bankers**

Lloyds TSB  
142 - 146 High Street  
Chatham  
Kent  
ME4 4DQ

**Solicitors**

Browne Jacobson LLP  
1 Manor Court  
Dix's Field  
Exeter  
Devon  
EX1 1UP

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the period ended 31 August 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 30 March 2017 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Barnsole Primary Trust is driven by a moral purpose, determined to see a high performing and successful Multi-Academy Trust that delivers the very best personal and educational outcomes for each child irrespective of their starting point. The Trust currently has one school, Barnsole Primary School which is three-form community primary school situated in Medway with a school nursery on site for 2 - 4 year olds. It has a pupil capacity of 630. Barnsole had a roll of 630 in the school census on 18 May 2017. The nursery has a capacity of 50. There are ongoing plans to expand the number of schools within the Trust.

**Structure, governance and management**

**a. Constitution**

Barnsole Primary 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 Trust. The Trustees of Barnsole Primary Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Barnsole Primary Trust.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

Subject to the provisions of the Companies Act 2006, the Academy Trust maintains Trustees' and Officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in their capacity as Trustees of the Academy Trust.

**d. Method of recruitment and appointment or election of Trustees**

The current Articles of Association requires that the Trust shall not have less than three Trustees and may appoint up to ten Trustees. The Trust may also appoint Co-opted Trustees under Article 58.

The First Trustees are those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

The Term of Office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting or Annual General Meeting.

**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**e. Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend on their existing experience. All Trustees are provided with the appropriate policies and documents they will need in order for them to undertake their role as a Trustee, these include, but are not limited to, the current Academies Financial Handbook and the Governance Handbook. Advantage will be taken of any relevant specific training opportunities offered by appropriate bodies.

The Trust runs an effective and robust system for Trustees in regard to training and the induction process.

**f. Organisational structure**

Members

The Members of the Trust are guardians of the governance of the Trust and, as such, have a different status from Trustees. The Articles of Association describe how Members are recruited and replaced, and how many of the Trustees the members can appoint to the Trust Board. The Members appoint Trustees to ensure that the Trust's charitable status is carried out, and must be able to remove Trustees if they fail to fulfil this responsibility. Accordingly, the Trust Board submits an annual report on the performance of the Trust to the Members. Members are also responsible for approving any amendments made to the Trust's Articles of Association.

While Members are permitted to be appointed as Trustees, in order to retain a degree of separation of powers between the Members and the Trust Board, and in line with DfE expectations, not all Members are Trustees. Members are not permitted to be employees of the Academy Trust.

Trustees

Barnsole Primary Trust is a charitable company and Trustees are both charity trustees (within the terms of section 177(1) of the Charities Act 2011) and company directors. Trustees are bound by both charity and company law, so the terms 'trustees' and 'directors' are often used interchangeably.

The Trustees are responsible for the general control and management of the administration of the Trust. In accordance with the provisions set out in the Memorandum and Articles of Association and its funding agreement, it is legally responsible and accountable for all statutory functions, for the performance of all academies within the Trust, and must approve a written scheme of delegation of financial powers that maintains robust internal control arrangements. In addition it must carry out the three core governance functions to:

- ensure clarity of vision, ethos and strategic direction;
- hold the Chief Executive Officer (CEO) to account for the educational performance of the Trust's academies and their pupils, and the performance management of staff;
- oversee the financial performance of the Trust.

The Board of Trustees has the right to review and adapt its governance structure at any time, which includes removing delegation.

**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

Committees

The Trustees establish committees to carry out some of its governance functions, which include making decisions, although any decisions made will be deemed decisions of the Trust Board.

*Finance Committee*

The function is to monitor the Trust's financial position and financial control systems.

Membership consists of:

- Three Trust Board Members elected by the Trust Board;
- CEO/Accounting Officer in attendance;
- Chief Financial Officer (CFO) in attendance.

*Human Resources (HR) Committee*

The function is to monitor the Trust's HR performance and processes.

Membership consists of:

- Three Trust Board Members elected by the Trust Board;
- CEO/Accounting Officer in attendance.

*Educational Standards and Performance Committee*

The function is to monitor the Trust's educational standards and performance.

Membership consists of:

- Three Trust Board Members elected by the Trust Board;
- CEO/Accounting Officer in attendance.

The responsibilities of each board committee are set out in the committee's terms of reference.

The Chief Executive Officer is responsible to the Board for following the strategic direction set by Trustees, for implementing the Trust's agreed policies and for ensuring the delivery of excellent teaching and learning that results in appropriate achievement.

The Chief Executive Officer is the Trust's Accounting Officer.

**g. Arrangements for setting pay and remuneration of key management personnel**

A CEO's Performance and Pay Review Panel and Pay Panels (the Panels) are in place to review the performance and pay for Key Management Personnel. The Panels will meet at least twice a year to evaluate the performance of Key Management Personnel and, depending on the results of this, make reward decisions. The salary and rewards of Key Management Personnel are restricted by budgets and limited to ranges, which the Panels will review and agree upon.

**h. Connected organisations, including related party relationships**

Barnsole Primary School provided support to Bligh Federation prior to its conversion to academy status with Barnsole Primary Trust. Barnsole Primary Trust has been approved by the Department for Education to hold sponsor status.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**Objectives and Activities**

**a. Objects and aims**

Our Vision, Mission and Values

Our Vision:

- To provide the best possible education for young people in Medway

Our Mission:

- To provide excellent school improvement in Medway

Our Values:

- The vision is underpinned by seven core values:
- To promote social mobility by ensuring there are no achievement gaps between groups of children, particularly the most disadvantaged;
- To provide an environment where each child feels happy, valued and safe;
- To provide each child with an entitlement that offers them access to a curriculum which values their unique need, talent and skill;
- To value and develop staff to ensure they become the best possible professionals they can be;
- To target resources and time that leads to direct school improvement;
- To provide a holistic education working in partnership with parents, carers and the wider community;
- To recognise, value and maintain the unique identity of each school within its community

**b. Objectives, strategies and activities**

Objective 1: Improve educational outcomes for Early Years and Primary aged children

To achieve this objective, the Trust will focus on the quality of teaching, learning and assessment, planning and the use of resources, leadership development, personalisation of provision and the outcomes for all children in national assessments.

Objective 2: Expand the Trust to create a sustainable and effective community of well-resourced schools

Barnsole Primary Trust is committed to growth. The Trust has taken a period of reflection to refine working practices and to develop services to underpin further growth, but we will only do this when we have the developed capacity to do so. As a Trust, we have a responsibility to grow appropriately to preserve the outcomes in our existing schools and to build for future capacity needs. The Trust will ensure that it creates capacity in advance of need at every level of the organisation.

Opportunities for expansion of the Trust are actively pursued. As an approved sponsor, the Trust will consider schools that wish to convert to academy status or any school being directed to become a sponsored academy by the Regional Schools' Commissioner. The Trust aims to have ten primary schools in Medway over the next three years.

**c. Public benefit**

In setting the objectives and planning activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that these aims and objectives are clearly for the public benefit.



**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**Strategic report**

**Achievements and performance**

**Outcomes 2017**

Good Level of Development (GLD): Reception

<b>GLD</b>	<b>2016</b>	<b>2017</b>
Barnsole	76%	80%
National	69%	-

Provisional Phonics Screening Result: Year 1

<b>Year 1 Phonics</b>	<b>2016</b>	<b>2017</b>
Barnsole	85%	92%
National	81%	-

Provisional Phonics Cumulative Screening Result: Year 2

<b>Year 2 Phonics</b>	<b>2016</b>	<b>2017</b>
Barnsole	95%	99%
National	91%	-

**KS1 Outcomes 2017**

<b>Reading (R):</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	8	77	38
Barnsole 2017	9%	87%	43%
Barnsole 2016	-	90%	48%
National 2016	-	74%	24%

<b>Writing (W):</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	5	79	26
Barnsole 2017	6%	89%	29%
Barnsole 2016	-	86%	34%
National 2016	-	65%	13%

<b>Maths (M):</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	7	81	36
Barnsole 2017	8%	91%	40%
Barnsole 2016	-	92%	42%
National 2016	-	73%	18%

**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

<b>Combined R W &amp; M:</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	76	23
Barnsole 2017	85%	26%
Barnsole 2016	88%	-
National 2016	-	-

**KS2 Outcomes 2017**

<b>Reading (R):</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	4	84	50
Barnsole 2017	4%	94%	56%
Barnsole 2016	-	85%	34%
National 2017	-	71%	-

<b>Writing (W):</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	8	80	35
Barnsole 2017	9%	90%	39%
Barnsole 2016		89%	34%
National 2017	-	76%	-

<b>Maths (M):</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	5	83	54
Barnsole 2017	6%	94%	61%
Barnsole 2016		90%	45%
National 2017	-	75%	-

<b>Combined R W &amp; M:</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	79	23
Barnsole 2017	89%	26%
Barnsole 2016	84%	11%
National 2017	61%	-

<b>SPaG:</b>	<b>Working Towards</b>	<b>Expected (ARE) +</b>	<b>Greater Depth</b>
Number of Children	1	87	70
Barnsole 2017	1%	98%	79%
Barnsole 2016	-	94%	81%
National 2017	-	77%	-

**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**a. Key financial performance indicators**

The Trust uses a number of financial key performance indicators to monitor the financial success of the Trust and Progress improvement against targets set.

Staffing costs are monitored as a percentage of total income. For the period ending 31st August 2017 staffing costs represented 84.01% of total income (excluding transfers from local authority on conversion).

GAG Income ratio is 76.88% of total income (excluding transfers from local authority on conversion).

Working Capital (Net Current Assets): £367,502

Total Free Reserves as a % of total income: 36.33%.

**b. 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**c. Achievement against objectives and strategy**

The Trust has made progress against its key strategies and objectives. It has maintained and raised the standard of education for all its pupils, as evidenced through the non-financial indicators of performance above, and has paid every attention to ensuring every child enjoys high quality teaching, resourcing and care. Financially the Trust has performed well and establishing a strong reserves balance. The Trust has complied with statutory and national curriculum requirements that have arisen in the year. Finally, the Trust has built on its links to other schools and the local community, in part due to the strategy of welcoming new schools into the Trust.

**Financial review**

During the period to 31 August 2017 total income, including capital income but excluding transfers from local authority on conversion, was £1,011,455 of which £56,114 was unrestricted income.

Total expenditure for the period to 31 August 2017 was £1,005,811 of which:

- Employee costs of £849,758 represented 84% of total expenditure
- Premises costs of £36,516 represented 4% of total expenditure

The operating surplus, excluding transfers from local authority on conversion and pension reserve adjustments for the period ended 31 August 2017 was £5,644.

**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**a. Reserves policy**

The Trustees always aim to set a balanced budget with annual income balancing against annual expenditure. As such, the Trustees review the reserves of the Trust on an annual basis. The Trust believes the funding received in any one year should be used to support the pupils on roll at the time unless there is a specific project which will require the accumulation of funding over more than one year. The level of reserves can fluctuate depending on operational needs but the Trustees have determined that the Trust should have a minimum of £800,000 held in reserves. The reason for this is to provide sufficient working capital to cover days between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Trustees consider this to be a prudent level.

Given current funding levels and the raising financial pressures, particularly with regards to rising employers pension liabilities and payroll costs, the reserves as outlined in the policy cannot currently be met, however, the Trust remains in a positive reserves position and has effective long term strategies to build up reserves to the minimum levels as outlined within the policy.

**b. Deficit**

The restricted fund at 31 August 2017 is in deficit by £901,305. This arises from a combination of trading in-year surplus and the pension reserve fund which represents the Academy Trust's share of the LGPS fund deficit of £978,000, calculated in accordance with Financial Reporting Standard (FRS) 102 by Barnett Waddingham LLP. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the Academy Trust have been fixed at 20.0% for the three years from 1 April 2017.

**c. Investments policy**

The purpose of the Investments Policy is to set out the processes by which Trustees will meet their duties under the Academy's Articles of Association and Academies Financial Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

The Trust's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects."

Whilst the Board of Trustees has responsibility for the Trust's finances, the Scheme of Delegation approved by the Board delegates responsibility to the Finance and Resources Committee:

*To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.*

The CFO is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the Finance and Resources Committee so it can review and monitor investment performance.

**Barnsole Primary Trust**  
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**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**d. Principal risks and uncertainties**

The Trustees consider the principal risks and uncertainties facing the Trust to be:

- Funding for education is under pressure. A risk is a School within the Trust incurring a deficit against its budget from unforeseen circumstances, especially if there is a change of funding policy introduced by the Government.
- A fall in the roll would have financial implications, with a School's income largely based on pupil numbers, especially given the threat of competition from other schools
- Expensive capital works may be required that are not covered by insurance or ESFA grants

Other risks and uncertainties which the Trust may face are in relation to technology failures, pension fund deficits and natural uncontrollable events.

The Trustees have considered the principal risks and uncertainties facing the Trust and have as far as appropriate taken steps to minimise these risks. This is facilitated by the maintenance and review of a risk register.

The main financial instrument of the Trust is cash held within current bank. Cash resources are managed to ensure operating requirements can be met without the need for short term borrowing.

**Plans for future periods**

**a. Future developments**

The RSC has given approval to the Trust's growth plan and also granted the Trust Sponsored Academy Status, in the immediate future. Bligh Federation, consisting of Bligh Junior School and Bligh Infant School, joined the Trust in October 2017.

In addition, the Trust is in active discussions with further Schools in Medway.

**Funds held as custodian**

The Trust holds no funds on behalf of others.

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

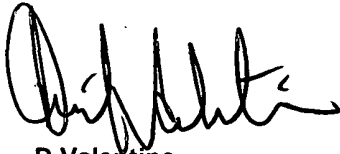
**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the period ended 31 August 2017**

**Auditor**

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D Valentine', with a stylized flourish at the end.

**D Valentine**  
Chair of Trustees

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Governance Statement**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Barnsole Primary Trust 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 Chief Executive Officer, 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 Barnsole Primary Trust 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 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Valentine, Chairman	3	3
D Bailey, Vice Chairman	3	3
P Garvey (resigned 31 October 2017)	0	3
M Greenwood	3	3
M Hawkridge	1	3
K Smart	3	3
A Lingfield	2	3
P Croucher	1	3

The Board will meet six times per year (every other month).

Governance review:

The Trust will carry out an annual review of its governance process.

The Finance and Audit Committee will assist the Board with regard to the annual audit and accounts, internal controls and the sound management of the Trust's finances and resources. The Committee formally met once during this year.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
P Croucher, Chair	1	1
D Bailey	1	1
M Hawkridge	1	1
D Valentine	1	1

The Committee formally meets six times per year (every other month).

**Barnsole Primary Trust**  
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**Governance Statement (continued)**

**Review of Value for Money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Rigorous systems of internal control for establishing, reviewing and evaluating the school budget based on a framework of regular management information and administrative procedures, including the segregation of duties and a system of delegation and accountability;
- Ensuring resources are directed to where they are most needed and most effective in meeting educational requirements such as:
- Targeting resources in key subjects areas such as English, Maths and a wider curriculum
- Monitoring the needs of individual pupils to ensure the provision they receive is highly personalised and relevant to their particular needs including support from the inclusions team
- Targeted use of Pupil Premium funding to support a key group of pupils within the school
- Rigorous monitoring and evaluation of pupil progress and attainment
- Robust financial governance arrangements that include approval of the annual budget, regular monitoring by the Trust Board and its committees, including the Financial and Audit Committee to ensure spending is within budget and meets the objectives of the school development plan. The work of the Trust Board and the committees is further informed by regular Internal Audit reports from Kreston Reeves LLP, Accountants;
- Sharing good practice amongst the Trust and other partner schools

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Barnsole Primary Trust for the period 1 May 2017 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 1 May 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



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**Governance Statement (continued)**

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP as internal auditor.

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

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

On a quarterly basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

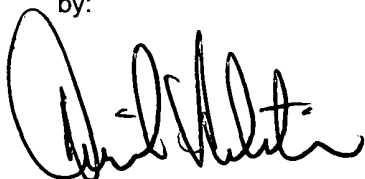
**Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit 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 30 November 2017 and signed on their behalf, by:



**D Valentine, Chair**  
**Chair of Trustees**



**S McKeown**  
**Accounting Officer**

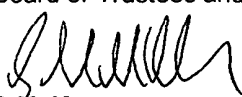
**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Barnsole Primary Trust 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.



**S McKeown**  
**Accounting Officer**

Date: 30 November 2017

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Statement of Trustees' responsibilities**  
**For the period ended 31 August 2017**

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

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

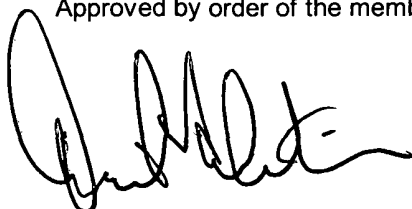
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 30 November 2017 and signed on its behalf by:



**D Valentine**  
Chair of Trustees

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Independent auditor's report on the financial statements to the members of Barnsole Primary Trust**

**Opinion**

We have audited the financial statements of Barnsole Primary Trust for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

**Basis of opinion**

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

**Conclusions relating to going concern**

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

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

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Independent auditor's report on the financial statements to the members of Barnsole Primary Trust**

**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

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

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

**Responsibilities of trustees**

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

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

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Independent auditor's report on the financial statements to the members of Barnsole Primary Trust**

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

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

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

*Kreston Reeves LLP*

Peter Manser FCA DChA (Senior statutory auditor)  
for and on behalf of  
**Kreston Reeves LLP**  
Statutory Auditor  
Chartered Accountants  
Chatham Maritime  
1 December 2017

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Independent reporting accountant's assurance report on regularity to Barnsole Primary Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 4 April 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnsole Primary Trust during the period 1 May 2017 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 Barnsole Primary Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barnsole Primary Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barnsole Primary Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Barnsole Primary Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Barnsole Primary Trust's funding agreement with the Secretary of State for Education dated 1 May 2017, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 May 2017 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Independent reporting accountant's assurance report on regularity to Barnsole Primary Trust and the Education and Skills Funding Agency (continued)**

**Work undertaken**

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the Funding Agreement
- Reviewed grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed Board of Trustee minutes for declaration of interests
- Considered whether other income activities permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with

**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 period 1 May 2017 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves, LLP

**Kreston Reeves LLP**  
Reporting Accountant  
Chartered Accountants  
Chatham Maritime

1 December 2017



**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Statement of financial activities incorporating income and expenditure account**  
**For the period ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
<b>Income from:</b>					
Transfers from local authority on conversion	2	278,081	(946,000)	5,542,092	4,874,173
Donations	2	849	-	-	849
Charitable activities	3	-	955,341	-	955,341
Other trading activities	4	55,231	-	-	55,231
Investments	5	34	-	-	34
<b>Total income</b>		<b>334,195</b>	<b>9,341</b>	<b>5,542,092</b>	<b>5,885,628</b>
<b>Expenditure on:</b>					
Charitable activities		1,515	990,519	13,777	1,005,811
<b>Total expenditure</b>	6	<b>1,515</b>	<b>990,519</b>	<b>13,777</b>	<b>1,005,811</b>
<b>Net income / (expenditure) before transfers</b>		<b>332,680</b>	<b>(981,178)</b>	<b>5,528,315</b>	<b>4,879,817</b>
Transfers between Funds	18	(41,873)	41,873	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>290,807</b>	<b>(939,305)</b>	<b>5,528,315</b>	<b>4,879,817</b>
Actuarial gains on defined benefit pension schemes	23	-	38,000	-	38,000
<b>Net movement in funds</b>		<b>290,807</b>	<b>(901,305)</b>	<b>5,528,315</b>	<b>4,917,817</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	-	-	-
<b>Total funds carried forward</b>		<b>290,807</b>	<b>(901,305)</b>	<b>5,528,315</b>	<b>4,917,817</b>

All of the Academy Trust's activities derive from acquisitions in the current financial period.

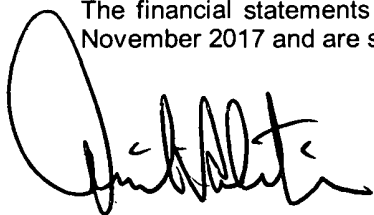
The notes on pages 26 to 45 form part of these financial statements.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**  
**Registered number: 10699889**

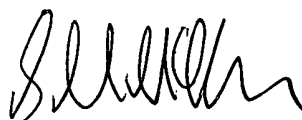
**Balance sheet**  
**As at 31 August 2017**

	<b>Note</b>	<b>£</b>	<b>2017 £</b>
<b>Fixed assets</b>			
Tangible assets	15		5,528,315
<b>Current assets</b>			
Debtors	16	353,213	
Cash at bank and in hand		83,698	
		<u>436,911</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(69,409)</u>	
<b>Net current assets</b>			<u>367,502</u>
<b>Total assets less current liabilities</b>			<u>5,895,817</u>
Defined benefit pension scheme liability	23		<u>(978,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>4,917,817</u></u>
<b>Funds of the Academy Trust</b>			
Restricted income funds:			
Restricted income funds	18	76,695	
Restricted fixed asset funds	18	5,528,315	
		<u>5,605,010</u>	
Restricted income funds excluding pension liability			
Pension reserve		<u>(978,000)</u>	
Total restricted income funds			<u>4,627,010</u>
Unrestricted income funds	18		<u>290,807</u>
<b>Total funds</b>			<u><u>4,917,817</u></u>

The financial statements on pages 23 to 45 were approved by the Trustees, and authorised for issue, on 30 November 2017 and are signed on their behalf, by:



**D Valentine**  
Chair of Trustees



**S McKeown**  
Principal and Accounting Officer

The notes on pages 26 to 45 form part of these financial statements.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the period ended 31 August 2017**

	<b>Note</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	20	<u>83,732</u>
<b>Cash flows from investing activities:</b>		
Interest receivable		<u>(34)</u>
<b>Net cash used in investing activities</b>		<u>(34)</u>
<b>Change in cash and cash equivalents in the period</b>		<b>83,698</b>
Cash and cash equivalents brought forward		<u>-</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><b>83,698</b></u>

The notes on pages 26 to 45 form part of these financial statements.

All of the cash flows are derived from acquisitions in the current financial period.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies**

Barnsole Primary Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Barnsole Primary School, Barnsole Road, Gillingham, Kent, ME7 2JG. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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.

Barnsole Primary Trust 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Fund accounting**

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

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

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies (continued)**

**1.4 Income**

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

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

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

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

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

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £5,000 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 property      -      over the term of the lease

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

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Operating leases**

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

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies (continued)**

**1.11 Liabilities and provisions**

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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust'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 17. 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 Trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies (continued)**

**1.14 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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.

**1.15 Conversion to an Academy Trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Barnsole Primary School to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The most significant assets and liabilities transferred on conversion were those of the land and buildings and the LGPS pension deficit. The land and buildings were transferred at £5,542,092. Details concerning the LGPS deficit can be found within note 23.

Further details of the transaction are set out in note 22.



**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies (continued)**

**1.16 Critical accounting estimates and areas of judgement**

Estimates and judgements 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.

*Multi-employer defined benefit pension scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Tangible fixed assets*

The Academy Trust has recognised tangible fixed assets with a carrying value of £5,528,315 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trusts' forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**1. Accounting policies (continued)**

*Critical areas of judgement:*

*Lease commitments*

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

*Multi-employer defined benefit pension scheme*

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts. In the judgement of the Trustees, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 23 for further details.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transfers from local authority on conversion	278,081	(946,000)	5,542,092	4,874,173
Donations	849	-	-	849
	<u>278,930</u>	<u>(946,000)</u>	<u>5,542,092</u>	<u>4,875,022</u>

**3. Funding for Academy Trust's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	777,575	777,575
Other DfE/ESFA grants	-	106,359	106,359
	<u>-</u>	<u>883,934</u>	<u>883,934</u>
<b>Other government grants</b>			
Other government grants	-	71,407	71,407
	<u>-</u>	<u>71,407</u>	<u>71,407</u>
	<u>-</u>	<u>955,341</u>	<u>955,341</u>

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Other income - self-generated	1,211	-	1,211
Hire of facilities	50	-	50
Staff services consultancy	25,073	-	25,073
Supply teacher insurance income	16,800	-	16,800
Trips income	3,412	-	3,412
Sales of other goods and services	854	-	854
Breakfast club and nursery fees	7,831	-	7,831
	<u>55,231</u>	<u>-</u>	<u>55,231</u>

**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Bank interest	34	-	34
	<u>34</u>	<u>-</u>	<u>34</u>

**6. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Activities:				
Direct costs	623,586	-	10,105	633,691
Support costs	226,172	36,516	109,432	372,120
	<u>849,758</u>	<u>36,516</u>	<u>119,537</u>	<u>1,005,811</u>

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £
Provision of education	633,691	372,120	1,005,811
	<u>633,691</u>	<u>372,120</u>	<u>1,005,811</u>

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	2017 £
Educational supplies	9,223
Professional fees - educational	18,440
Computer costs	380
Course fees	720
Recruitment fees	12,470
Staff travel costs	1,198
Wages and salaries	476,630
National insurance	36,137
Pension cost	78,493
	<hr/> 633,691 <hr/>

**Analysis of support costs**

	2017 £
FRS102 Pension cost	9,000
Staff costs	258,498
Depreciation	13,777
Repairs and maintenance	27,685
Light, heat and water charges	8,831
Printing, postage, stationery and photocopying	1,711
Telephone	254
Computer costs	9,135
Professional fees - non-educational	16,362
Bank charges	308
Insurance	4,439
Trips expenditure	1,465
Hospitality	192
Auditor's remuneration	11,000
Catering costs	7,613
Auditor's remuneration - other audit	1,850
	<hr/> 372,120 <hr/>

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

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets:	
- owned by the charity	13,777
Auditor's remuneration - audit	11,000
Auditor's remuneration - other audit	1,850
	<hr/>

**Barnsole Primary Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 August 2017**

**9. Staff costs**

Staff costs were as follows:

	2017 £
Wages and salaries	607,940
Social security costs	50,568
Operating costs of defined benefit pension schemes	167,046
	<hr/> 825,554
Supply teacher costs	14,204
Staff restructuring costs	10,000
	<hr/> <hr/> 849,758

Staff restructuring costs comprise:

	2017 £
Severance payments	10,000
	<hr/> <hr/>

Included in staff restructuring costs are non-contractual severance payments totalling to £778. This was all one individual payment.

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

	2017 No.
Teachers	23
Admin and Support	60
Management	9
	<hr/> 92
	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2017 No.
Teachers	22
Admin and Support	40
Management	9
	<hr/> 71
	<hr/> <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000, on a pro-rata basis, was:

	2017 No.
In the band £60,001 - £70,000	1
In the band £90,001 - £100,000	1

Both of the above employees participated in the Teachers' Pension Scheme.

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**9. Staff costs (continued)**

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £186,378, of which £16,681 was employer national insurance contributions.

**10. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- Financial services
- Educational support services
- Human resources

The Academy Trust charges for these services on the following basis:

- 5% of the General Annual Grant funding for the academic year from each academy within the Academy Trust
- 5% of the Early Years funding for the academic year from each academy within the Academy Trust

The actual amounts charged during the year were as follows:

	<b>2017</b>
	<b>£</b>
Barnsole Primary School	<b>42,449</b>
	<hr/>

**11. 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.

**12. Trustees' and Officers' Insurance**

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

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**13. Trustees' remuneration and expenses**

During the period, no Trustees received any remuneration.  
During the period, no Trustees received any benefits in kind.  
During the period ended 31 August 2017, no Trustees received any reimbursement of expenses.

**14. Other finance income**

	2017 £
Interest on pension scheme liabilities	(9,000)

**15. Tangible fixed assets**

	Long-term leasehold property £
<b>Cost</b>	
At 1 May 2017	-
Inherited on conversion	5,542,092
At 31 August 2017	5,542,092
<b>Depreciation</b>	
At 1 May 2017	-
Charge for the period	13,777
At 31 August 2017	13,777
<b>Net book value</b>	
At 31 August 2017	5,528,315

Included in long-term leasehold land and buildings is land at valuation of £376,000 which is not depreciated.

The land and buildings were valued by Medway Council at 31 March 2017 on a depreciated replacement cost basis.

Long-term leasehold land and buildings comprise land and buildings occupied on a 125 year lease granted from Medway Council.

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**16. Debtors**

	2017 £
Trade debtors	2,239
VAT recoverable	14,884
Prepayments and accrued income	336,090
	<u>353,213</u>

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

	2017 £
Trade creditors	43,850
Accruals and deferred income	25,559
	<u>69,409</u>

	£
<b>Deferred income</b>	
Resources deferred during the year	<u>11,765</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips occurring in the 2017/18 academic year. The remainder of the balance relates to the rates relief income received during the financial year, which covers the period to March 2018.



**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**18. Statement of funds**

	Balance at 1 May 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Funds	-	334,195	(1,515)	(41,873)	-	290,807
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	777,575	(693,753)	(7,127)	-	76,695
Other DfE/ESFA Grants	-	106,359	(106,359)	-	-	-
Other Gov't Grants	-	71,407	(71,407)	-	-	-
Pension reserve	-	(946,000)	(119,000)	49,000	38,000	(978,000)
	-	9,341	(990,519)	41,873	38,000	(901,305)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	-	5,542,092	(13,777)	-	-	5,528,315
<b>Total restricted funds</b>	-	5,551,433	(1,004,296)	41,873	38,000	4,627,010
<b>Total of funds</b>	-	5,885,628	(1,005,811)	-	38,000	4,917,817

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

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represent those grants provided for specific purposes, such as pupil premium funding, which is provided in order to be used to support disadvantaged pupils and to assist them in decreasing the attainment gap between those pupils and their peers.

Other government grants represent those grants provided for specific purposes, such as early years funding, to provide additional support to the pupils where required.

The restricted fixed asset fund represents the leasehold land and buildings which were donated upon conversion to academy status including depreciation to the balance sheet date. Capital grants are also represented and provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

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

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**18. Statement of funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>
Barnsole Primary Trust	11,739
Barnsole Primary School	355,763
	<hr/>
Total before fixed asset fund and pension reserve	367,502
Restricted fixed asset fund	5,528,315
Pension reserve	(978,000)
	<hr/>
Total	<u><u>4,917,817</u></u>

**Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows:

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciat- ion £</b>	<b>Total 2017 £</b>
Barnsole Primary Trust	21,526	78,735	209	240	100,710
Barnsole Primary School	623,586	134,911	42,222	90,605	891,324
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	645,112	213,646	42,431	90,845	992,034
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**19. Analysis of net assets between funds**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Restricted fixed asset funds 2017 £</b>	<b>Total funds 2017 £</b>
Tangible fixed assets	-	-	5,528,315	5,528,315
Current assets	290,927	145,984	-	436,911
Creditors due within one year	(120)	(69,289)	-	(69,409)
Provisions for liabilities and charges	-	(978,000)	-	(978,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	290,807	(901,305)	5,528,315	4,917,817
	<hr/>	<hr/>	<hr/>	<hr/>

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	2017 £
Net income for the year (as per Statement of Financial Activities)	4,879,817
<b>Adjustment for:</b>	
Depreciation charges	13,777
Interest receivable (note 5)	34
(Increase) in debtors	(353,213)
Increase in creditors	69,409
Defined benefit pension scheme obligation inherited	946,000
Defined benefit pension scheme cost less contributions payable	61,000
Defined benefit pension scheme finance cost	9,000
Net (loss) on assets and liabilities from local authority on conversion	(5,542,092)
<b>Net cash provided by operating activities</b>	<b>83,732</b>

**21. Analysis of cash and cash equivalents**

	2017 £
Cash in hand	83,698
<b>Total</b>	<b>83,698</b>

**22. Conversion to an Academy Trust**

On 1 May 2017 Barnsole Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Barnsole Primary Trust from Medway Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	5,542,092	5,542,092
Budget surplus/(deficit) on LA funds	278,081	-	-	278,081
LGPS pension surplus/(deficit)	-	(946,000)	-	(946,000)
<b>Net assets/(liabilities)</b>	<b>278,081</b>	<b>(946,000)</b>	<b>5,542,092</b>	<b>4,874,173</b>

The above net assets include £278,081 that were transferred as cash.

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**23. Pension commitments**

The Academy Trust'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 Kent County Council. Both are Multi-employer defined benefit pension schemes.

As described in note 22 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period ended 31 August 2017. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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 period.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**23. Pension commitments (continued)**

The employer's pension costs paid to TPS in the period amounted to £40,888.

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 period ended 31 August 2017 was £63,000, of which employer's contributions totalled £49,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 20.0% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2017</b>
Discount rate for scheme liabilities	<b>2.60 %</b>
Rate of increase in salaries	<b>4.20 %</b>
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>
Inflation assumption (CPI)	<b>2.70 %</b>
Inflation assumption (RPI)	<b>3.60 %</b>

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

	<b>2017</b>
Retiring today	
Males	<b>23.0</b>
Females	<b>25.1</b>
Retiring in 20 years	
Males	<b>25.2</b>
Females	<b>27.4</b>

	<b>At 31 August 2017 £</b>
<b>Sensitivity analysis</b>	
Discount rate +0.1%	<b>(51,000)</b>
Discount rate -0.1%	<b>52,000</b>
Mortality assumption - 1 year increase	<b>66,000</b>
Mortality assumption - 1 year decrease	<b>(64,000)</b>
CPI rate +0.1%	<b>42,000</b>
CPI rate -0.1%	<b>(41,000)</b>

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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**23. Pension commitments (continued)**

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

	Fair value at 31 August 2017 £
Equities	762,000
Gilts	8,000
Other bonds	104,000
Property	133,000
Cash and other liquid assets	34,000
Absolute return fund	42,000
	<hr/>
Total market value of assets	1,083,000
	<hr/>

The actual return on scheme assets was £49,000.

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

	2017 £
Current service cost	(110,000)
Interest cost	(9,000)
	<hr/>
Total	(119,000)
	<hr/>
Actual return on scheme assets	49,000
	<hr/>

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

	2017 £
Upon conversion	1,917,000
Current service cost	110,000
Interest cost	18,000
Employee contributions	14,000
Actuarial losses	2,000
	<hr/>
Closing defined benefit obligation	2,061,000
	<hr/>

**Barnsole Primary Trust**  
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**Notes to the financial statements**  
**For the period ended 31 August 2017**

**23. Pension commitments (continued)**

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

	2017 £
Upon conversion	971,000
Interest income	9,000
Actuarial gains	40,000
Employer contributions	49,000
Employee contributions	14,000
	<hr/>
Closing fair value of scheme assets	1,083,000
	<hr/>

**24. 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 £
<b>Amounts payable:</b>	
Within 1 year	24,826
Between 1 and 5 years	20,983
	<hr/>
Total	45,809
	<hr/>

**25. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

C Jarvis, a Member, is a Director of Avenue Tennis Limited. During the financial period Barnsole Primary Trust incurred expenditure totalling to £390 from this organisation. At the balance sheet date, there were no amounts outstanding. The total expenditure falls below the de minimis limit of £2,500 regarding the 'at cost' requirements of the Academies Financial Handbook.

**26. Post balance sheet events**

On 1 October 2017, both Bligh Junior School and Bligh Infant School joined the Trust as convertor academy schools.

**27. Controlling party**

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.