

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Trustees & Members	M Watts (resigned 22 May 2017) S Carvey (appointed 23 May 2017, resigned 15 September 2017) C Kimmens C Rousell (resigned 11 July 2017) A Cleary L Murray (appointed 1 September 2016) B Willis L Brown (resigned 15 September 2017) D Harland (appointed 11 October 2016) M Higgins (appointed 1 December 2016, resigned 11 July 2017) C Hodgkinson
Company registered number	07808765
Company name	Colebrook Infant Academy
Principal and registered office	Colebrook Infant Academy Towcester Road Stratton St Margaret Swindon SM3 4AS
Accounting officer	C Hodgkinson
Senior leadership team	C Hodgkinson, Headteacher L Murray, Deputy Headteacher
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
Bankers	Lloyds Bank 5 High Street Swindon Wiltshire SN1 3EN

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 5 to 7 in Coleview, Swindon. It has a pupil capacity of 150 and had a roll of 147 in the school census on 6 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Colebrook Infant Academy are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the academy. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1st November 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- A minimum of 2 and maximum of 4 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- up to 2 staff Trustees appointed by Trustee board.
- up to 3 Community Trustees who are appointed by the Trustee board.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

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

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from school staff and Committees for ratification. It monitors the activities of the Finance and Audit Committee through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There is a Finance and Audit Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher and Deputy Headteacher. The SLT implement the policies laid down by the Trustees and report back to them on performance. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and none of these Trustees received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

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

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Colebrook Infant Academy. There are no sponsors associated with the Academy.

The "Friends of Colebrook Schools" are the parent/teacher organisation (a charity) who organise social events and who fundraise to provide additional equipment or resources which directly benefit the children.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

We nurture children in a small, supportive infant-focussed environment where pupils learn, have fun and feel safe and happy. They love coming to school.

Specialist staff use their experience and expertise to lay the foundations for a positive and successful educational journey.

We believe that it is the right of every child to achieve their goals by engaging in challenging and inspiring educational experiences.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office. Improvement focuses identified for this year include:

- To have a highly stimulating environment and exceptional organisation of the curriculum. Teaching is of a high standard and outcomes for all children are excellent.
- To consistently improve educational outcomes for all pupils, so that they make substantial and sustained progress considering their different starting points, especially those who are disadvantaged (children looked after, pupil premium, young carers, SEN)
- Strengthen and broaden the school's leadership capacity, enabling all school governors and school leaders to make a positive difference to the teaching and learning in the school.
- All teaching to be good or better, based upon thorough and age-appropriate assessments of individual children's needs and strengths as well as an in depth understanding of the curriculum. Pace of lessons to be appropriate (Ofsted 2014).
- Pupils know how to keep themselves safe and healthy and they develop good emotional and mental well-being. They have an age-appropriate understanding of healthy relationships and are confident in staying safe from abuse and exploitation.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Coleview and the surrounding area. In particular, offering a broad and rich curriculum with a strong emphasis on developing excellent Reading, Writing and Maths skills, also nurturing and developing all children particularly those who are disadvantaged, but in no way limited to this.

The academy works closely with other local schools for staff professional development, teacher training and safeguarding.

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

STRATEGIC REPORT

Achievements and Performance

Expectations of pupil achievement are high and with good leadership and management as well as good teaching and learning, this results in high attainment throughout the school (see tables in next section).

Pupil's well-being and social and emotional development is prioritised in all year groups and the school provision for outdoor learning including a Forest School programme is embedded as part of the curriculum.

With a published admissions number of 50, the Academy has managed to retain 6 single year group classes with each year group having its own teaching assistant, which is a valuable addition to the classroom.

Support from parents is very good and approximately 8 parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, the library and trips out of school.

The Academy operates a programme of monitoring and self-evaluation (lesson observations, work scrutinies, discussions with children etc) which are undertaken by Headteacher and the Senior Leadership Team in order to ensure that self evaluation is accurate. The Academy also understands the importance of external validation of our own judgements and engages with an independent School Improvement advisor, a safeguarding consultant, a Basic Skills award and the local authority health and safety team for advice and support.

The Academy was inspected by OFSTED in 2014 and was judged to be Good.

Over the last three years the Academy has secured capital grants to

- refurbish the kitchen to allow for the introduction of universal free school meals
- added a security porch and a door entry system for improved safeguarding
- completed a weatherproofing project which resulted in internal and external improvements to the building which in turn had a positive impact on children's health and well-being.

In addition, school's own funding has been used to refurbish the Early Years toilets.

Key Performance Indicators

Pupil's attain highly (above national expectations) and make good progress at Colebrook Infant Academy. See chart below showing the end of Key stage 1 results.

KS1 results (end of Year 2) – children achieving expected levels

	2014		2015		2016		2017	
	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat
Reading	91%	81%	76%	82%	95%	74%	90%	76%
Writing	91%	70%	67%	72%	81%	65%	80%	68%
Maths	93%	80%	82%	80%	81%	73%	84%	75%

KS1 results (end of Year 2) – children achieving above expected levels

	2014		2015		2016		2017	
	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat
Reading	42%	31%	31%	32%	35%	24%	40%	25%
Writing	28%	16%	16%	18%	30%	13%	26%	16%
Maths	44%	24%	27%	26%	35%	18%	30%	21%

In Year One, the % of children passing the phonics screening check is improving and most children pass it on re-take at the end of Year 2.

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

Year 1 phonics screening check % pass

2014		2015		2016		2017	
School	National	School	National	School	National	School	National
65%	74%	59%	77%	76%	81%	84%	80%

At the end of EYFS (2017) 73% of the whole cohort achieved a good level of development. This is in line with national expectations.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2017, the Academy received total income of £644,138 and incurred total expenditure of £730,366. Staffing costs amounted to 82.3% of the total income.

At 31 August 2017 the net book value of fixed assets was £1,270,663 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 20 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Accounting policy (which includes asset management), Charging, Lettings, Gifts and hospitality, Credit card, Investments, Teacher pay, Risk Management and Whistleblowing policies.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Trustees recognise that good levels of staffing as well as quality and experience of staff contribute to the ongoing success of the Academy but they have identified potential opportunities to reduce staffing levels and thereby reduce costs in the future should this be required.

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

The Trustees have determined that the appropriate level of free reserves should be no less than 8% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or a fall in pupil numbers resulting in losing a class but not wanting to lose a teacher. Projected rollover carried forward to the next financial year amounts to £85,695.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Due to the limited availability of returns, the Academy has not invested additional funds in the last financial year.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 97.4% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

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

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 20 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS
Our Vision statement**

We nurture children in a small, supportive infant-focussed environment where pupils learn, have fun and feel safe and happy. They love coming to school. Specialist staff use their experience and expertise to lay the foundations for a positive and successful educational journey. We believe that it is the right of every child to achieve their goals by engaging in challenging and inspiring educational experiences.

Aims

- Enable all children to explore and experiment with confidence and independence in a safe and secure school environment.
- Promote a life-long love of learning.
- Create a carefully tailored curriculum which enables every individual child to flourish and reach their full potential.
- Have high expectations of ourselves and of what we can achieve together.

School development plan long term goals

- To consistently improve outcomes for all pupils especially those who are disadvantaged (Children looked after, pupil premium, young carers, SEN)
- Strengthen and broaden the school's leadership capacity, enabling all school governors and school leaders to make a positive difference to the teaching and learning in the school.
- For pupils to know how to keep themselves safe and healthy and develop good emotional and mental well-being. To have an age-appropriate understanding of healthy relationships and be confident in staying safe from abuse and exploitation.
- All teaching to be good or better, based upon thorough and age-appropriate assessments of individual children's needs and strengths as well as an in depth understanding of the curriculum.

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

We will continue to strive to provide outstanding education and improve the levels of performance of all our pupils. The Academy will continue to aim to attract and retain high quality teachers and support staff in order to deliver its objectives. It will continue to work with partner schools for the benefit of staff and pupils. Bath Spa University is our partner establishment for teacher training and we are committed to supporting the training of new teachers through the PGCE programme. We will endeavour to maintain small class sizes with a teaching assistant in each class as long as funding permits. We recognise that in the future this may not be sustainable if school funding does not increase. We are mindful of the potential benefits available to schools who work closely together.

Full details of our plans for the future are given in our School Development Plan, a summary of which is available from the school website or a full copy from the school office on request.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 31.12.17..... and signed on the board's behalf by:



**C Kimmens
Chair of Trustees**

**COLEBROOK INFANT ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
M Watts	1	4
S Carvey	4	4
C Kimmens	4	6
C Rousell	6	6
A Cleary	6	6
L Murray	5	6
B Willis	6	6
L Brown	4	6
D Harland	5	6
M Higgins	2	3
C Hodgkinson	6	6

The Finance and Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to deal with all matters relating to finance including final approval of all decisions relating to the school budget. They are responsible for reviewing the internal and external financial statements and reviewing the effectiveness of the academy's internal control system. The Finance and Audit Committee meet three times a year

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Watts	0	2
S Carvey	2	2
C Kimmens	1	3
C Rousell	3	3
A Cleary	3	3
L Murray	2	3
B Willis	3	3
L Brown	2	3
D Harland	2	3
M Higgins	1	1
C Hodgkinson	3	3

The Board of Trustees has this year undertaken a review of its vision for the school and the values which drive this vision. It has consulted with parents and pupils in order to support the self-evaluation.

GOVERNANCE STATEMENT (continued)

In evaluating overall effectiveness of the Board, governors have taken into account the skills and areas of expertise of its members and trustees and has agreed areas of responsibility accordingly. The board recognises the need for high quality data and has assigned this as a separate area for a governor with appropriate skills who works closely with the Senior Leadership of the school to analyse the assessment data and look for patterns and areas for development. Similarly, the board recognises its responsibilities in terms of financial integrity and transparency and has assigned a governor to work closely with the School business manager in order to have a greater depth of understanding of the budget.

The Board of governors has reviewed its understanding of the Academies Financial Handbook Annex C the "musts" and is confident that it is providing good financial stewardship.

The Board uses a competency framework to evaluate its own effectiveness.

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to provide assurance over the suitability of, and compliance with, financial systems and operational controls in line with the Academies Financial Handbook. It meets three times a year.

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Value for money purchasing.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Colebrook Infant Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

**COLEBROOK INFANT ACADEMY
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and 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 FS4S as internal auditor.

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

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

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor 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 **8/12/2017** and signed on their behalf, by:


C Kimmens
Chair of Trustees


C Hodkinson
Accounting Officer

**COLEBROOK INFANT ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Colebrook Infant Academy 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.



**C Hodkinson
Accounting Officer**

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 and signed on its behalf by:



**C Kimmens
Chair of Trustees**

Date: 8th December 2017

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COLEBROOK INFANT ACADEMY**

OPINION

We have audited the financial statements of Colebrook Infant Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COLEBROOK INFANT ACADEMY**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
COLEBROOK INFANT ACADEMY**

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. The description forms part of our Auditor's report.

Bishop Fleming Bath Limited

John Talbot FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

8 December 2017

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COLEBROOK
INFANT ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 July 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 Colebrook Infant Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Colebrook Infant Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Colebrook Infant Academy 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 Colebrook Infant Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF COLEBROOK INFANT ACADEMY'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Colebrook Infant Academy's funding agreement with the Secretary of State for Education dated 1 November 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COLEBROOK
INFANT ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued).**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming Bath Limited

John Talbot FCA (Reporting Accountant)

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: *8 December 2017*

COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	1,190	12,164	-	13,354	109,083
Charitable activities	3	3,246	627,430	-	630,676	660,782
Investments	4	108	-	-	108	200
TOTAL INCOME		4,544	639,594	-	644,138	770,065
EXPENDITURE ON:						
Charitable activities		1,716	683,926	44,724	730,366	694,483
TOTAL EXPENDITURE	5	1,716	683,926	44,724	730,366	694,483
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	2,828	(44,332)	(44,724)	(86,228)	75,582
		20,603	(24,827)	4,224	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		23,431	(69,159)	(40,500)	(86,228)	75,582
Actuarial gains/(losses) on defined benefit pension schemes	20	-	174,000	-	174,000	(106,000)
NET MOVEMENT IN FUNDS		23,431	104,841	(40,500)	87,772	(30,418)
RECONCILIATION OF FUNDS:						
Total funds brought forward		19,156	(153,598)	1,248,163	1,113,721	1,144,139
TOTAL FUNDS CARRIED FORWARD		42,587	(48,757)	1,207,663	1,201,493	1,113,721

The notes on pages 23 to 42 form part of these financial statements.

COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07808765

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		1,207,663		1,248,163
CURRENT ASSETS					
Debtors	13	33,961		34,472	
Cash at bank and in hand		153,981		195,223	
		<u>187,942</u>		<u>229,695</u>	
CREDITORS: amounts falling due within one year	14	(95,520)		(114,647)	
NET CURRENT ASSETS			<u>92,422</u>		<u>115,048</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,300,085</u>		<u>1,363,211</u>
CREDITORS: amounts falling due after more than one year	15		(25,592)		(26,490)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>1,274,493</u>		<u>1,336,721</u>
Defined benefit pension scheme liability	20	(73,000)		(223,000)	
NET ASSETS			<u><u>1,201,493</u></u>		<u><u>1,113,721</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	16	24,243		69,402	
Fixed asset funds	16	1,207,663		1,248,163	
Restricted funds excluding pension liability		<u>1,231,906</u>		<u>1,317,565</u>	
Pension reserve		<u>(73,000)</u>		<u>(223,000)</u>	
Total restricted funds			<u>1,158,906</u>		<u>1,094,565</u>
Unrestricted funds	16		<u>42,587</u>		<u>19,156</u>
TOTAL FUNDS			<u><u>1,201,493</u></u>		<u><u>1,113,721</u></u>

The financial statements on pages 20 to 42 were approved by the Trustees, and authorised for issue, on 8/12/2017 and are signed on their behalf, by:


C Kimmens
Chair of Trustees


B Willis
Trustee

The notes on pages 23 to 42 form part of these financial statements.

COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	18	<u>(4,779)</u>	<u>(898)</u>
Cash flows from investing activities:			
Interest received		108	(699)
Purchase of tangible fixed assets		(42,553)	(81,053)
Capital grants from DfE/ESFA		8,662	104,301
Net cash (used in)/provided by investing activities		<u>(33,783)</u>	<u>22,549</u>
Cash flows from financing activities:			
Repayments of borrowings		(2,680)	(2,680)
Net cash used in financing activities		<u>(2,680)</u>	<u>(2,680)</u>
Change in cash and cash equivalents in the year		(41,242)	18,971
Cash and cash equivalents brought forward		<u>195,223</u>	<u>176,252</u>
Cash and cash equivalents carried forward	19	<u><u>153,981</u></u>	<u><u>195,223</u></u>

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

Colebrook Infant Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is Colebrook Infant Academy, Towcester Road, Stratton St Margaret, Swindon, SN3 4AS.

1.2 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.

Colebrook Infant Academy constitutes a public benefit entity as defined by FRS 102.

1.3 GOING CONCERN

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

**COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods and services.

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

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

On conversion the academy/academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

Leasehold land	-	straight line over 125 years
Leasehold buildings	-	straight line over 50 years
Improvements to property	-	straight line over 25 years
Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

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.

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES AND PROVISIONS

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

COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.10 TAXATION

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 FINANCIAL INSTRUMENTS

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.13 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

COLEBROOK INFANT ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	1,190	3,502	-	4,692	4,782
Capital Grants	-	8,662	-	8,662	104,301
	<u>1,190</u>	<u>12,164</u>	<u>-</u>	<u>13,354</u>	<u>109,083</u>
<i>Total 2016</i>	<u>-</u>	<u>109,083</u>	<u>-</u>	<u>109,083</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	524,055	524,055	545,913
Other DfE/ESFA grants	-	89,205	89,205	93,626
	<u>-</u>	<u>613,260</u>	<u>613,260</u>	<u>639,539</u>
Other Government grants				
High Needs	-	9,370	9,370	15,404
Other government grants	-	4,800	4,800	-
	<u>-</u>	<u>14,170</u>	<u>14,170</u>	<u>15,404</u>
Other funding				
Income for hosting trainee teachers	1,152	-	1,152	-
Sales to students	1,250	-	1,250	2,856
Other	844	-	844	2,983
	<u>3,246</u>	<u>-</u>	<u>3,246</u>	<u>5,839</u>
	<u>3,246</u>	<u>627,430</u>	<u>630,676</u>	<u>660,782</u>
<i>Total 2016</i>	<u>5,839</u>	<u>654,943</u>	<u>660,782</u>	

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

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	108	-	108	200
<i>Total 2016</i>	200	-	200	

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	458,053	70,455	685	529,193	502,669
Support costs	71,756	30,781	98,636	201,173	191,814
	529,809	101,236	99,321	730,366	694,483
<i>Total 2016</i>	507,202	48,267	139,014	694,483	

6. DIRECT COSTS

	2017 £	2016 £
Pension finance costs	5,000	4,000
Educational supplies	15,820	23,762
Staff development	2,901	2,962
Other costs	2,695	2,521
Supply teachers	3,834	3,926
Wages and salaries	351,699	342,308
National insurance	27,324	24,625
Pension cost	75,196	69,216
Depreciation	44,724	29,349
	529,193	502,669
<i>Total 2016</i>	502,669	

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

7. SUPPORT COSTS

	2017 £	2016 £
Maintenance of premises and equipment	10,192	7,533
Cleaning	3,700	3,834
Rent and rates	2,258	3,395
Energy costs	5,941	7,260
Insurance	7,451	8,515
Security and transport	1,239	1,747
Catering	48,127	47,337
Technology costs	7,637	7,227
Office overheads	8,562	8,790
Legal and professional	25,884	22,722
Bank interest and charges	1,926	72
Governance	6,500	6,255
Wages and salaries	52,788	55,508
National insurance	1,296	809
Pension cost	17,672	10,810
	<u>201,173</u>	<u>191,814</u>
<i>Total 2016</i>	<u>191,814</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	44,724	29,349
Auditors' remuneration - audit	8,250	4,715
Auditors' remuneration - other services	500	-
	<u>53,474</u>	<u>34,064</u>

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

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	404,487	397,816
Social security costs	28,620	25,434
Operating costs of defined benefit pension schemes	92,868	80,026
	<u>525,975</u>	<u>503,276</u>
Supply teacher costs	3,834	3,926
	<u>529,809</u>	<u>507,202</u>

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

	2017 No.	2016 No.
Teachers	5	5
Admin and support	14	10
Management	2	2
	<u>21</u>	<u>17</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	5	5
Admin and support	7	7
Management	2	2
	<u>14</u>	<u>14</u>

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

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

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership 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 was £114,061 (2016: £102,397).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

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FOR THE YEAR ENDED 31 AUGUST 2017

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: C Hodgkinson, Remuneration £45,000 - £50,000 (2016: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000); L Murray, Remuneration £30,000 - £35,000 (2016: £40,000 - £45,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000); and A Cleary, Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000).

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

11. 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.

12. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Property improvement £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	1,110,445	221,319	18,551	9,303	1,359,618
Additions	-	-	-	4,224	4,224
At 31 August 2017	1,110,445	221,319	18,551	13,527	1,363,842
DEPRECIATION					
At 1 September 2016	75,308	13,767	13,926	8,454	111,455
Charge for the year	32,215	8,853	2,064	1,592	44,724
At 31 August 2017	107,523	22,620	15,990	10,046	156,179
NET BOOK VALUE					
At 31 August 2017	1,002,922	198,699	2,561	3,481	1,207,663
At 31 August 2016	1,035,137	207,552	4,625	849	1,248,163

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NOTES TO THE FINANCIAL STATEMENTS
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13. DEBTORS

	2017 £	2016 £
Other debtors	7,324	11,553
Prepayments and accrued income	26,637	22,919
	<u>33,961</u>	<u>34,472</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other loans	1,445	1,853
Trade creditors	23,808	9,561
Other taxation and social security	7,635	6,775
Other creditors	8,764	8,238
Accruals and deferred income	53,868	88,220
	<u>95,520</u>	<u>114,647</u>

DEFERRED INCOME

	2017 £	2016 £
Deferred income at 1 September 2016	34,209	41,057
Resources deferred during the year	42,924	34,209
Amounts released from previous years	(34,209)	(41,057)
Deferred income at 31 August 2017	<u>42,924</u>	<u>34,209</u>

At the balance sheet date the Academy was holding ESFA and local authority grants received in advance for the 2017/18 academic year.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Other loans	25,592	26,490

To ensure all staff within Swindon school's were on equal pay the local authority performed a pre-conversion pay review. This review established that certain staff in the School were owed additional pay, which was settled by the local authority on behalf of the School. The Academy Trust is required to repay this debt, however the local authority have the right to reconsider the amount owed. A loan was transferred to the Academy Trust on conversion, at the year end £27,037 (2016: £28,343) remains outstanding. The loan is unsecured and is being repaid by installments with 16 years remaining, at an interest rate of 4.93%.

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

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	19,156	4,544	(1,716)	20,603	-	42,587
RESTRICTED FUNDS						
General Annual Grant (GAG)	75,403	524,055	(555,044)	(1,306)	-	43,108
Special needs funding	-	9,370	(9,370)	-	-	-
Donations	-	3,502	(1,507)	(1,995)	-	-
Pupil premium	-	22,959	(22,959)	-	-	-
LA - Pupil premium	-	4,800	(4,800)	-	-	-
Devolved formula capital	-	8,662	-	(2,229)	-	6,433
Transfer on conversion	20,603	-	-	(20,603)	-	-
Other DfE/ESFA Grants	1,739	8,415	(8,415)	-	-	1,739
USIFM	-	56,155	(56,155)	-	-	-
Rates	-	1,676	(1,676)	-	-	-
Equal pay loan	(28,343)	-	-	1,306	-	(27,037)
Pension reserve	(223,000)	-	(24,000)	-	174,000	(73,000)
	(153,598)	639,594	(683,926)	(24,827)	174,000	(48,757)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	1,035,137	-	(32,216)	-	-	1,002,921
Fixed assets purchased from GAG and other restricted funds	213,026	-	(12,508)	4,224	-	204,742
	1,248,163	-	(44,724)	4,224	-	1,207,663
Total restricted funds	1,094,565	639,594	(728,650)	(20,603)	174,000	1,158,906
Total of funds	1,113,721	644,138	(730,366)	-	174,000	1,201,493

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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	16,487	6,740	(4,071)	-	-	19,156
	<u>16,487</u>	<u>6,740</u>	<u>(4,071)</u>	<u>-</u>	<u>-</u>	<u>19,156</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	80,181	548,195	(536,037)	(16,936)	-	75,403
Transfer on conversion	20,603	-	-	-	-	20,603
Other DfE/ESFA Grants	6,935	110,829	(116,025)	-	-	1,739
Equal pay loan	(30,197)	-	-	1,854	-	(28,343)
Pension reserve	(108,000)	-	(9,000)	-	(106,000)	(223,000)
	<u>(30,478)</u>	<u>659,024</u>	<u>(661,062)</u>	<u>(15,082)</u>	<u>(106,000)</u>	<u>(153,598)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	1,050,199	-	(15,062)	-	-	1,035,137
Fixed assets purchased from GAG and other restricted funds	107,931	104,301	(14,288)	15,082	-	213,026
	<u>1,158,130</u>	<u>104,301</u>	<u>(29,350)</u>	<u>15,082</u>	<u>-</u>	<u>1,248,163</u>
Total restricted funds	<u>1,127,652</u>	<u>763,325</u>	<u>(690,412)</u>	<u>-</u>	<u>(106,000)</u>	<u>1,094,565</u>
Total of funds	<u>1,144,139</u>	<u>770,065</u>	<u>(694,483)</u>	<u>-</u>	<u>(106,000)</u>	<u>1,113,721</u>

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

16. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Special needs funding - High Needs funding for the further support of pupils with additional needs and additional Pupil Premium funding received from the Local Authority.

Donations (school trips) - Contributions towards school trips.

Pupil Premium - Funding received from the ESFA during the year for children that qualify for free school meals to enable the school to address the current underlying inequalities between those children and their wealthier peers.

LA Pupil Premium - Additional funding received from the local authority during the year for children that qualify for free school meals to enable the school to address the current underlying inequalities between those children and their wealthier peers.

Devolved Formula Capital (DFC) - Funding received from the ESFA to cover maintenance and the purchase of the academy's assets. During the year £2,229 (2016: Nil) was transferred to the restricted fixed asset fund to represent fixed assets purchased from devolved formula capital funding.

Transfer on conversion - represents funding received from the local authority on conversion to an Academy Trust. During the year the trustees have reviewed the restrictions associated with this fund and decided that these funds were no longer restricted in use. A transfer to unrestricted funds of £20,603 has therefore been recorded in these accounts.

Other DFE/ESFA grants - Funding received from the ESFA to improve the PE and sport provision, for the benefit of primary aged pupils, so that they develop healthy lifestyles and other small ESFA grants.

Universal Infant Free School Meals (UIFSM) - Funding from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Rates Reimbursement - Income from the ESFA to reimburse the Academy for rates expenditure.

The Equal Pay Loan is amounts due to Swindon Unitary Authority and arose to fund the salaries paid to certain employees following disputes on equal pay. Previously this amount has been included within General Annual Grant funds, however upon review this year the Trustees consider separate presentation to be more appropriate.

Pension Reserve - The defined benefit pension scheme fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

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

16. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy from the Local Authority.

Fixed assets purchased from restricted funds represents amounts spent on fixed assets from GAG and DFC received from the ESFA and other restricted donations.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,207,663	1,207,663
Current assets	42,587	145,355	-	187,942
Creditors due within one year	-	(95,520)	-	(95,520)
Creditors due in more than one year	-	(25,592)	-	(25,592)
Pension scheme liability	-	(73,000)	-	(73,000)
	<u>42,587</u>	<u>(48,757)</u>	<u>1,207,663</u>	<u>1,201,493</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	1,248,163	1,248,163
Current assets	19,156	210,539	-	229,695
Creditors due within one year	-	(114,647)	-	(114,647)
Creditors due in more than one year	-	(26,490)	-	(26,490)
Provisions for liabilities and charges	-	(223,000)	-	(223,000)
	<u>19,156</u>	<u>(153,598)</u>	<u>1,248,163</u>	<u>1,113,721</u>

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

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(86,228)	75,582
Adjustment for:		
Depreciation charges	44,724	29,347
Interest received	(108)	699
Interest paid	1,374	1,374
Decrease/(increase) in debtors	511	(3,760)
Increase/(decrease) in creditors	19,610	(8,839)
Capital grants from DfE and other capital income	(8,662)	(104,301)
Defined benefit pension scheme cost less contributions payable	19,000	5,000
Defined benefit pension scheme finance cost	5,000	4,000
Net cash used in operating activities	(4,779)	(898)

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	153,981	195,223
	153,981	195,223

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

20. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Pension Fund. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £8,751 were payable to the schemes at 31 August 2017 (2016: 8,238) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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20. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £41,207 (2016: £40,028).

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).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £39,000 (2016: £38,101), of which employer's contributions totalled £32,000 (2016: £30,997) and employees' contributions totalled £7,000 (2016: £7,104). The agreed contribution rates for future years are 23.8% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.50 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	242,110	223,200
Corporate bonds	47,740	46,500
Property	44,330	37,200
Cash and other liquid assets	6,820	3,100
	<u>341,000</u>	<u>310,000</u>
Total market value of assets	<u>341,000</u>	<u>310,000</u>

The actual return on scheme assets was £49,910 (2016: £32,000).

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

	2017 £	2016 £
Current service cost	(51,000)	(36,000)
Interest income	6,000	10,000
Interest cost	(11,000)	(14,000)
	<u>(56,000)</u>	<u>(40,000)</u>
Total	<u>(56,000)</u>	<u>(40,000)</u>
Actual return on scheme assets	<u>49,910</u>	<u>32,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	533,000	348,000
Current service cost	51,000	36,000
Interest cost	11,000	14,000
Employee contributions	7,000	7,000
Actuarial (gains)/losses	(134,000)	128,000
Benefits paid	(54,000)	-
	<u>414,000</u>	<u>533,000</u>
Closing defined benefit obligation	<u>414,000</u>	<u>533,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	310,000	240,000
Interest income	6,000	10,000
Actuarial losses	40,000	22,000
Employer contributions	32,000	31,000
Employee contributions	7,000	7,000
Benefits paid	(54,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	341,000	310,000
	<hr/>	<hr/>

21. MEMBERS' LIABILITY

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

22. RELATED PARTY TRANSACTIONS

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

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