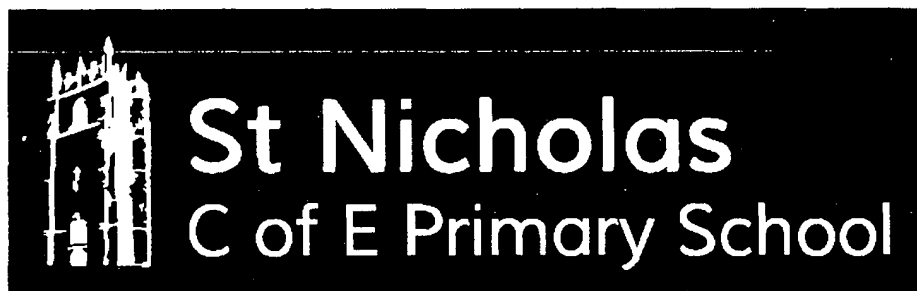


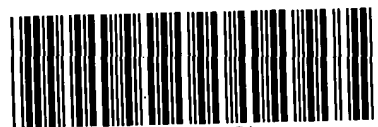
Company Registration No. 08248830 (England and Wales)

**ST NICHOLAS' COFE SCHOOL ALCESTER**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



FRIDAY



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COMPANIES HOUSE

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

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# ST NICHOLAS' COFE SCHOOL ALCESTER

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Governors</b>	Laurance Yearley	Chair Of Governors	(retired 31/08/17)
	Susan Heap	Chair Of Governors	
	Peter Alexander	Parent Governor	(resigned 15/05/17)
	David Campbell-Kelly	Parent Governor	
	Caroline Harris	Parent Governor	
	Alison Howson	Parent Governor	
	Richard Hunter	Parent Governor	
	Mark Johnston	Parent Governor	
	Adam Walsh	Executive Head Teacher	
	Karen O'Shea	Head Of School	
	Alexander Kolb	Assistant Head Teacher	
	Susan Godson	Staff Governor	
	Richard Chapman	Co-Opted Governor	
	Vincent Foy	Co-Opted Governor	
	Susan Juned	Co-Opted Governor	
	Virginia Von Malachowski	Co-Opted Governor	
	Patricia Bowler	Foundation Governor	
	Andrew Deeks	Foundation Governor	
	Julie Lindsay	Foundation Governor	
<b>Members</b>	Susan Heap	Co-Opted Governor & Chair Of Governors	
	Laurence Yearley	Former Co-Opted Governor & Chair Of Governors	
	Vincent Foy	Co-Opted Governor & Chair Of Finance	
	Julie Lindsay	Foundation Governor	
<b>Senior Leadership Team</b>	Adam Walsh	Executive Head Teacher	
	Karen O'Shea	Head Of School	
	Alexander Kolb	Assistant Head Teacher	(appointed 01/09/16)
<b>Company secretary</b>	Susan Heap		
<b>Company registration no.</b>	08248830 (England and Wales)		
<b>Registered office</b>	St Nicholas' Church Of England Primary School St. Faiths Road Alcester Warwickshire B49 6AG		
<b>Independent auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY		

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Actuary</b>	Hymans Robertson LLP One London Wall London EC2Y 5EA
<b>Bankers</b>	Lloyds Bank Plc 22 Bridge Street Stratford Upon Avon Warwickshire CV37 6AG
<b>Solicitors</b>	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES

# ST NICHOLAS' COFE SCHOOL ALCESTER

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The charitable company operates an Academy for pupils aged 4 to 11 serving a catchment area in Alcester, Warwickshire. It has a pupil capacity of 420 and had a roll of 408 pupils in the school census of Autumn 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 Governors are the trustees of St Nicholas' CofE School Alcester and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

The Academy provides indemnity insurance to cover the liability of Governors, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy.

##### Method of recruitment and appointment or election of Governors

Governors are recruited and appointed as follows:

- Foundation Governors are appointed by the Coventry Diocesan Board of Education and the town parish of Alcester.
- Parent Governors are elected by the parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.
- The Head Teacher is automatically appointed as a Staff Governor.
- Other Staff Governors are elected by the employees of the Academy.
- Co-Opted Governors are appointed by invitation from the existing Governors.

The Memorandum & Articles requires there to be between 3 and 18 Governors, with the following limits:

- up to 25% may be Foundation Governors
- a minimum of 2 Parent Governors
- up to 33% may be Staff Governors
- up to 10 Co-Opted Governors appointed by the Members

The Governors' term of office, excluding the Head Teacher, is 4 years.

The Secretary of State may appoint additional Governors if the school performance is unacceptably low, there is a failure of governance or if the safety of the pupils is at risk.

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Policies and procedures adopted for the induction and training of Governors

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or Governors may attend external training provision as appropriate. Governors are provided with access to copies of all the documents and policies that they will need to undertake their role.

### Organisational structure

The full Governing Body meets formally at least six times per year. Discussions are held and decisions are made or ratified as appropriate. There are four main committees which meet three or four times per year: Finance & Resources, including Health & Safety, Staffing, Performance and Standards and Foundation. These committees provide the opportunity for detailed discussion and policy development and have delegated powers accountable to the full Governing Body. The day to day running of the Academy is delegated to the Senior Leadership Team who report back to the Governors' committees as appropriate.

The structure and organisation of the various sub-committees are reviewed each year and this additional emphasis was placed on Health and Safety. Where appropriate and financially viable, certain services are outsourced to external service providers, e.g. payroll, HR support, financial support, etc.

### Arrangements for setting pay and remuneration of key management personnel

Key management personnel, as with all other employees of the Academy, have their salary set by reference to either the NATUWT teacher pay scales or NJC non-teacher pay scales and their job grading.

A sub-committee of the Governors reviews all proposed changes to employee wages and makes recommendations to be approved by the relevant sub-committees.

### Related parties and other connected charities and organisations

During the year the Academy did not have any connected organisations. Neither were there any related party relationships. Any related party relationships that may arise would be acknowledged at the Governors' meetings through the pecuniary interests forms.

### Co-operation with other organisations in pursuit of charitable objectives

The Friends Of St. Nicholas undertakes fundraising activities as a separate organisation, with the proceeds used for the betterment of the pupils of the Academy.

During the year the Academy provided catering facilities to a neighbouring school, Great Alne Primary School. The Academy also provides a caretaker with the Parenting Project, Alcester, a Sure Start Children's Centre that acts as a hub for early learning, child and family health services, family support and links to training and employment advice.

In addition the Academy continues to have a good working relationship with the Diocese of Coventry who provide support and guidance from both an educational and pastoral perspective.

The Academy also lets out part of its premises to local organisations.

## **Objectives and activities**

### Objects and aims

The objectives of the charitable company are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and having regard to the advice of the Diocesan Board of Education.

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Objectives, strategies and activities

The main aim of the charitable company over the last year has been to continue to provide a stable environment following operating as an Academy to ensure that the very high standards set by the Academy (judged outstanding by Ofsted) were maintained. Within this environment, our aim has been to continue to use the freedoms brought by Academy status to lay down the foundations of new initiatives to further enhance the quality of teaching and learning in the Academy, thereby maximising the opportunities for all students to realise their potential.

During the year the Academy started a programme to refurbish the windows of the school out of a specific ESFA capital grant.

The Academy has maintained in practice its commitment to its own equal opportunities policy.

The Academy has also been determined to do everything possible to improve access for disabled persons.

A wide range of visitors are invited into the school to contribute in a variety of ways. These include health professionals, artists, poets in residence, theatre in education groups, craftspeople, the rector, local historians, careers advisers, police officers, local secondary school students, parents and grandparents and other people with particular expertise, experience or knowledge. These visitors contribute to learning in a variety of settings, such as curriculum extension or enrichment activities, assemblies, extracurricular events and clubs, community projects, theatre in education, insight into industry days, in lessons, at school based conferences, as expert witnesses and accompanying pupils on school trips.

Care is needed when handling sensitive and/or controversial issues that may arise. Staff and pupils will be involved in the establishment of classroom rules which set the climate for the lesson and make clear how all involved in the lesson are expected to behave towards each other during the session, this will then enable everyone involved to feel safe. Part of that discussion will include consideration of what kind of information is for sharing beyond the classroom and how pupils would feel if something they have contributed to the lesson were talked about on the playground or in the staffroom. These rules apply equally to pupils, staff and visitors. Where visitors support the curriculum, they are made aware of and abide by the school's policy regarding disclosures and confidentiality. The boundary between providing individual advice and providing learning opportunities for groups of pupils is made clear to everyone.

A teacher is present during any session with an outside visitor.

### Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

## **Strategic report**

### **Achievements and performance**

In April 2017 the school received Outstanding for its SIAMS inspection achieving outstanding in all key areas.

80% of children at end of EYFS were at a Good Level of Development (GLD), well above the national average. Results at Key Stage 1 were also above national for the expected standard for Reading, Writing, Maths and Science both as individual subjects and combined.

Attainment at Key Stage 2 in Reading was well above national with results for Writing, GPS and Reading, Writing and Maths (combined) broadly in line with national.

Disadvantaged children outperformed their peers in Reading, Writing and GPS.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Key performance indicators

As a charitable company the Academy does not consider it suitable to measure its performance in terms of financial measurements. However the Governors review net incoming/outgoing resources before actuarial pension movements, to ensure that the Academy achieves a small surplus each financial year, unless the Academy undertakes activities to be funded out of reserves with the agreement of the Governors, to balance the need for the Academy to have sufficient reserves to continue operations against the desire to maximise the benefit that the pupils of the Academy receive.

The Governors consider the non-financial key performance indicators of the Academy to be:

- the academic success of the pupils (as measured by National Statistics published by the Department For Education);
- other statistical analysis compiled by Fisher and Warwickshire County Council;
- the Academy's latest Ofsted inspection report grade and the Diocesan Board of Education inspections;
- in-house qualitative reports prepared by the Senior Leadership Team.

### Going concern

After making appropriate enquiries, the Board Of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board Of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

The majority of the Academy's income was obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure of £1,827,726 (2016 - £1,799,265) was more than covered by recurrent grant funding from the ESFA together with other incoming resources, the excess of income over expenditure for the year (excluding restricted fixed asset funds) was £19,794 (2016 - £99,482).

At 31 August 2017 the net book value of fixed assets was £6,261,323 (2016 - £6,325,204) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

### Reserves policy

The level of unrestricted funds and GAG restricted funds are being built up out of operating surpluses as to create a reserve to cover the risks and uncertainties of operating the school and thereby ensuring the financial security of the Academy.

The Governors have evaluated what should be a suitable reserves policy and have concluded that a value of 5% of the budget is an appropriate amount. This is needed to support subsequent years where pupil numbers may fluctuate.

The Academy also, from time to time, accumulates funding in order to finance specific projects that requires higher than normal expenditure and could not otherwise be funded out of day to day operating income.

The fixed assets of the Academy held in restricted fixed asset funds are considered necessary for the continued running of the school and such funds are therefore excluded from review. Restricted fixed asset funds held as cash are being accumulated until sufficient funds are available to finance the planned purchase of specific capital items.

The Governors regularly monitor the level of reserves and report to the ESFA any unspent funds expected to be carried forward.

The Governors consider the level of reserves at the period end to be sufficient but not excessive.

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# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **GOVERNORS' REPORT (CONTINUED)**

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

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The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £219,252 (2016 - £159,909).

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the ESFA.

Excluding the Pension Reserve fund, the Academy is not carrying a deficit on any restricted general funds.

#### Investment policy and powers

The Academy does not hold either any short term or long term investments.

#### Principal risks and uncertainties

The Governors confirming that the major risks to which the Academy is exposed, as identified by themselves, have been reviewed, and that systems or procedures have been established to manage those risks.

The principal financial risks facing the Academy is that funding is dependent upon pupil numbers and upon the Government's policies for education. Pupil numbers have continued to increase in the current financial year. However the Governors are aware that pupil numbers would be affected by changes to the reputation of the school or by significant developments within the local area, although the Governors do not consider the risk of such changes occurring to be high. The Governors review for any significant changes in Government funding policies that may affect the funding received by the school.

The Academy is a participating employer of the Warwickshire County Council Local Government Pension scheme, a multi-employer defined benefit pension scheme which is currently in deficit. The ongoing contributions payable to this scheme is considered manageable within the Academy's ongoing budgets.

The principal non-financial risks facing the Academy are the protection of pupils, staff and assets, as well ensuring that the school continues to obtain favourable Ofsted inspection results. The Academy has policies in place to manage all these risks.

#### **Plans for future periods**

There are plans relating to capital projects, including assessing opportunities for extending the main hall, as due to pupil numbers, it is not normally possible to hold collective worship events, where all the pupils attend together. The Academy will take every opportunity to improve the school environment to enhance the atmosphere for students. However the Governors are aware that funding for significant capital projects has to be applied for through the ESFA.

- The main focus of the Academy for 2017-18 is to make significant progress against the School's Improvement Plan:
  - Ensure all children are working at age related expectations and given opportunities to work at greater depth in all core subjects;
  - To further develop children's spiritual and personal development, behaviour and welfare; and
  - All staff are well informed of 2017-18 initiatives, have strong subject knowledge and successfully meet the needs of individual pupils.
- To continue to build and develop an effective leadership structure to allow the school to effectively support and work collaboratively with schools within the geographical area.
- To establish a Multi Academy Trust with other local schools in order to deepen collaborative working leading to sustainable school improvement models.
- Further invest in the School's facilities to allow the community to avail themselves of it.

#### **Funds held as custodian trustee on behalf of others**

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

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **GOVERNORS' REPORT (CONTINUED)**

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

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### **Auditor**

In so far as the Governors are aware:

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

A resolution proposing that Ormerod Rutter Limited be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board Of Governors, as the company directors, on 11 December 2017 and signed on its behalf by:



Mrs S Heap  
**Chair Of Governors**

# ST NICHOLAS' COFE SCHOOL ALCESTER

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

### Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that St Nicholas' Cofe School Alcester 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 Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Nicholas' Cofe School Alcester and the Secretary of State for Education. They are also responsible for reporting to the Board Of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board Of Governors has formally met 7 times during the year. Attendance during the year at meetings of the Board Of Governors was as follows:

		Meetings attended	Out of possible
<b>Governors</b>			
Peter Alexander	(Resigned 15th May 2017)	1	5
Trish Bowler		6	7
David Campbell-Kelly		4	7
Richard Chapman	(Responsible Officer from 31st August 2017)	3	7
Andrew Deeks		5	7
Vincent Foy	(Chair Of Finance)	7	7
Sue Godson		3	7
Caroline Harris		5	7
Sue Heap	(Chair Of Governors from 31st August 2017) (Responsible Officer to 31st August 2017)	7	7
Alison Howson		6	7
Richard Hunter		5	7
Mark Johnston		6	7
Susan Juned		5	7
Alex Kolb	(Assistant Head Teacher)	4	7
Julie Lindsay		2	7
Karen O'Shea	(Head Of School)	7	7
Virginia Von Malachowski		4	7
Adam Walsh	(Executive Head Teacher)	7	7
Laurie Yearley	(Chair Of Governors) (Retired 31st August 2017)	7	7
<b>Other attendees</b>			
Louise Green	(Finance Manager) (Appointed 24th May 2017)	1	1
Tina Ward	(Clerk To The Governors)	7	7

# ST NICHOLAS' COFE SCHOOL ALCESTER

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

The Finance and Resources Committee is a sub-committee of the main governing body whose purpose is to prepare the Academy's budget, monitor expenditure and address financial matters. The Finance and Resources Committee has formally met 5 times during the year. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

			Meetings attended	Out of possible
<b>Governors</b>				
Peter Alexander	(Resigned 15th May 2017)		1	2
Richard Chapman	(Responsible Officer from 31st August 2017)		5	5
Vincent Foy	(Chair Of Finance)		5	5
Sue Heap	(Chair Of Governors from 31st August 2017)		5	5
	(Responsible Officer to 31st August 2017)			
Richard Hunter			4	5
Adam Walsh	(Executive Head Teacher)		5	5
<b>Other attendees</b>				
Louise Green	(Finance Manager)	(Appointed 24th May 2017)	4	4
Celia Holdstock	(Bursar)	(Retired 12th May 2017)	2	2

#### Review of value for money

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

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

Areas where the trust's activities have contributed to achieving value for money:

- The school has used Pupil Premium funds to support the needs of children with SEMH and emotional needs. The school has a specialist counsellor and an additional member of staff dedicated to supporting these children. The school also used these funds to subscribe to Achievement for All, focusing on the achievement of identified pupils. This initiative involved structured conversation with parents to allow staff to identify and more deeply understand blockers to attendance and learning. The Inclusion Lead and Governors monitor the impact of support through reviewing attendance, pupil well-being and academic performance. Data at the end of Key Stage 2 shows disadvantaged pupils outperformed their peers in Reading, Writing and GPS.
- The 2016-17 academic year was the second year of the new leadership structure in partnership with a local maintained school. The Governors changed the role and title of the Deputy Head Teacher to Head of School to support the Executive Head Teacher as the operational leader of the school. An Assistant Head Teacher was also appointed to lead the recently appointed Phase Leaders and also embed the new assessment processes and procedures as Assessment Lead. The Leadership Team conducted a more distributive and rigorous schedule of monitoring activities including book trawls, lesson observations and focused pupil discussions. Governors reviewed the impact of the staffing structure through the commissioning of an independent School Improvement Partner to verify the judgements of the Leadership Team and assess the impact against the School's priorities.
- In order to support the School's curriculum, a new Forest School area was created allowing children in Key Stage 2 to access out door learning in a bespoke area. This area is also used by children with SEMH needs. The impact of this is evidenced through children's work, focused pupil discussions and pupil progress.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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- Due to the increase in pupil numbers, an area of disused space in the Key Stage 1 playground was converted into playground space, increasing the area available for the children to use in play times and curriculum Sport and PE. As a result of this a higher fence replaced the original fence next to the new playground area which presented a safe guarding risk.
- The school has introduced "Parent Pay" as a means for parents to pay for school meals, trips etc. This has significantly reduced workload in the office and the amount of cash on the premises.
- The school continues to apply for capital grants and were fortunate to receive a CIF grant of over £60,000 to replace fascia boards and windows.

The Academy continues to recognise the need to extend the school hall and work is ongoing to identify a suitable solution to cater for all children to attend collective worship whilst meeting the necessary Health and Safety requirements.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 St Nicholas' Cofe School Alcester for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The Board of Governors 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 Governors 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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors.

#### **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 Governors;
- regular reviews by the Finance And Resources 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Board of Governors have appointed Susan Heap, a Governor, as the Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the Responsible Officer reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The school's system of internal policies and financial controls is subject to periodic review and revision by the Board of Governors.

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Review of effectiveness**

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

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

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

Approved by order of the Board Of Governors on 11 December 2017 and signed on its behalf by:



Mrs S Heap  
Chair Of Governors



Mr A Walsh  
Executive Head Teacher

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017**

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As Accounting Officer of St Nicholas' CofE School Alcester I have considered my responsibility to notify the Academy Board Of Governors 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 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's Board Of Governors are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 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 Governors and ESFA.



Mr A Walsh  
**Accounting Officer**

11 December 2017

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors (who act as trustees for St Nicholas' CofE School Alcester and are also the directors of St Nicholas' CofE School Alcester for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

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

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

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board Of Governors on 11 December 2017 and signed on its behalf by:



Mrs S Heap  
Chair Of Governors



# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST NICHOLAS' COFE SCHOOL ALCESTER**

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### **Opinion**

We have audited the accounts of St Nicholas' CofE School Alcester for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts 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 accounts are authorised for issue.

### **Other information**

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST NICHOLAS' COFE SCHOOL ALCESTER (CONTINUED)

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

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

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

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

### Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors 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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

  
**Colm McGrory FCA (Senior Statutory Auditor)**  
for and on behalf of Ormerod Rutter Limited

.....18/12/17

**Chartered Accountants**  
**Statutory Auditor**

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# **ST NICHOLAS' COFE SCHOOL ALCESTER**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST NICHOLAS' COFE SCHOOL ALCESTER AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter 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 St Nicholas' CofE School Alcester during the period 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 St Nicholas' CofE School Alcester and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Nicholas' CofE School Alcester and 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 St Nicholas' CofE School Alcester and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Nicholas' CofE School Alcester's Accounting Officer and the reporting accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 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 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.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST NICHOLAS' COFE SCHOOL ALCESTER AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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### Conclusion

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

*Ormerod Rutter Ltd*

### Reporting Accountant

Ormerod Rutter Limited  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

Dated: *18/12/17*

# ST NICHOLAS' COFE SCHOOL ALCESTER

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	4,110	3,000	69,007	76,117	9,739
Charitable activities:						
- Funding for educational operations	4	-	1,619,193	-	1,619,193	1,675,156
Other trading activities	5	83,614	10,089	-	93,703	107,347
Investments	6	195	-	-	195	313
<b>Total income and endowments</b>		87,919	1,632,282	69,007	1,789,208	1,792,555
<b>Expenditure on:</b>						
Raising funds	7	-	376	-	376	173
Charitable activities:						
- Educational operations	8	-	1,700,031	127,319	1,827,350	1,799,092
<b>Total expenditure</b>	7	-	1,700,407	127,319	1,827,726	1,799,265
<b>Net income/(expenditure)</b>		87,919	(68,125)	(58,312)	(38,518)	(6,710)
Transfers between funds	12	(28,576)	5,670	22,906	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	149,000	-	149,000	(258,000)
<b>Net movement in funds</b>		59,343	86,545	(35,406)	110,482	(264,710)
<b>Reconciliation of funds</b>						
Total funds brought forward		159,909	(510,382)	6,325,204	5,974,731	6,239,441
Total funds carried forward		219,252	(423,837)	6,289,798	6,085,213	5,974,731

# ST NICHOLAS' COFE SCHOOL ALCESTER

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016		Unrestricted Funds	Restricted funds:		Total 2016
	Notes	£	General	Fixed asset	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	1,183	8,556	9,739
Charitable activities:					
- Funding for educational operations	4	-	1,675,156	-	1,675,156
Other trading activities	5	41,327	66,020	-	107,347
Investments	6	313	-	-	313
<b>Total income and endowments</b>		<b>41,640</b>	<b>1,742,359</b>	<b>8,556</b>	<b>1,792,555</b>
<b>Expenditure on:</b>					
Raising funds	7	-	173	-	173
Charitable activities:					
- Educational operations	8	1,001	1,683,343	114,748	1,799,092
<b>Total expenditure</b>	<b>7</b>	<b>1,001</b>	<b>1,683,516</b>	<b>114,748</b>	<b>1,799,265</b>
<b>Net income/(expenditure)</b>		<b>40,639</b>	<b>58,843</b>	<b>(106,192)</b>	<b>(6,710)</b>
Transfers between funds	12	(54,370)	(27,743)	82,113	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	20	-	(258,000)	-	(258,000)
<b>Net movement in funds</b>		<b>(13,731)</b>	<b>(226,900)</b>	<b>(24,079)</b>	<b>(264,710)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		173,640	(283,482)	6,349,283	6,239,441
Total funds carried forward		159,909	(510,382)	6,325,204	5,974,731

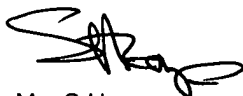
# ST NICHOLAS' COFE SCHOOL ALCESTER

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	13		6,261,323		6,325,204
<b>Current assets</b>					
Debtors	15	74,054		84,141	
Cash at bank and in hand		300,786		182,174	
		<u>374,840</u>		<u>266,315</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(103,950)		(81,788)	
<b>Net current assets</b>			270,890		184,527
<b>Net assets excluding pension liability</b>			<u>6,532,213</u>		<u>6,509,731</u>
Defined benefit pension liability	20		(447,000)		(535,000)
<b>Net assets</b>			<u>6,085,213</u>		<u>5,974,731</u>
<b>Funds of the Academy:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			6,289,798		6,325,204
- Restricted income funds			23,163		24,618
- Pension reserve			(447,000)		(535,000)
<b>Total restricted funds</b>			<u>5,865,961</u>		<u>5,814,822</u>
<b>Unrestricted income funds</b>	18		219,252		159,909
<b>Total funds</b>			<u>6,085,213</u>		<u>5,974,731</u>

The accounts set out on pages 19 to 43 were approved by the Board Of Governors and authorised for issue on 11 December 2017 and are signed on its behalf by:



Mrs S Heap  
Chair Of Governors

Company Number 08248830

# ST NICHOLAS' COFE SCHOOL ALCESTER

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		112,848		68,207
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		195		313	
Capital grants from DfE and ESFA		69,007		8,556	
Payments to acquire tangible fixed assets		(63,438)		(90,669)	
			5,764		(81,800)
<b>Change in cash and cash equivalents in the reporting period</b>			118,612		(13,593)
Cash and cash equivalents at 1 September 2016			182,174		195,767
<b>Cash and cash equivalents at 31 August 2017</b>			300,786		182,174



# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

St Nicholas' CofE School Alcester is a charitable company limited by guarantee incorporated in England and Wales.

The address of the registered office and its principal place of business is St Nicholas' Church Of England Primary School, St. Faiths Road, Alcester, Warwickshire, B49 6AG.

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

##### 1.1 Basis of preparation

The accounts of the Academy, 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.

St Nicholas' CofE School Alcester meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The Governors 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 charitable company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 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 receivable

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 period 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 grants are reflected in the balance sheet 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

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

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

##### Other income

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 or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets 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 that require 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.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land	- not depreciated
Leasehold buildings	- 2% on cost
Leasehold improvements	- 10% on cost
Computer equipment	- 25% on cost
Fixtures, fittings & equipment	- 20% on cost

Leasehold property includes property held either under a 125 year lease issued to the school by Warwickshire County Council on the school's conversion to an academy.

In accordance with Charities SORP (FRS 102) 2015 this property is recognised in the financial statements, representing the 'right to use' the property. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

Leasehold property also includes property held under the terms of the Church Supplemental Agreement to the Funding Agreement whereby the trustees of the Church of England Parish of Alcester have made the leasehold property available indefinitely to the Academy, subject to either the termination of the Funding Agreement or on receipt of no less than two years written notice from the following 31st August from the trustees of the Church of England Parish of Alcester.

In accordance with FRS 102, this property was recognised in the financial statements, on the basis that the Academy has effective control over the future economic benefits relating to the property, is able to restrict the access of others to those benefits and is responsible for the maintenance of the property for the foreseeable future, on the assumption that it is improbable that notice to vacate the property will be issued within the foreseeable future. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

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.

#### 1.6 Liabilities

Liabilities 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.

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 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.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 instrument.

#### 1.9 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.

#### 1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of 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 are 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 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.

#### 1.11 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 Governors.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

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/donor and include grants from the Education and Skills Funding Agency.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The Academy 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 or 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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st 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.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
ESFA Capital Grants:				
- Devolved Capital Formula	-	8,478	8,478	8,556
- Condition Improvement Fund	-	60,529	60,529	-
Other donations	4,110	3,000	7,110	1,183
	<u>4,110</u>	<u>72,007</u>	<u>76,117</u>	<u>9,739</u>

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	1,416,801	1,416,801	1,467,965
Rates Relief	-	12,821	12,821	-
Pupil Premium	-	114,697	114,697	127,407
PE & Sports Premium	-	9,705	9,705	9,725
Universal Infant Free School Meals	-	58,558	58,558	55,062
	-	1,612,582	1,612,582	1,660,159
<b>Other government grants</b>				
Special Educational Needs	-	6,611	6,611	14,397
Pupil Premium	-	-	-	600
	-	6,611	6,611	14,997
<b>Total funding</b>	-	1,619,193	1,619,193	1,675,156

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of premises	3,062	-	3,062	4,907
Catering income	43,103	-	43,103	56,052
Contributions towards music lessons	6,335	-	6,335	5,775
Contributions towards school trips and extra-curricular activities	23,671	-	23,671	28,348
Other income	7,443	10,089	17,532	12,265
	83,614	10,089	93,703	107,347

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Bank interest	195	-	195	313

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	376	376	173
Academy's educational operations					
- Direct costs	1,160,638	89,844	111,343	1,361,825	1,434,551
- Allocated support costs	176,925	125,144	163,456	465,525	364,541
	<u>1,337,563</u>	<u>214,988</u>	<u>275,175</u>	<u>1,827,726</u>	<u>1,799,265</u>

#### Net income/(expenditure) for the year includes:

	2017 £	2016 £
Operating lease rentals	2,552	2,552
Depreciation of tangible fixed assets	127,319	114,748
Net interest on defined benefit pension liability	11,000	(49,000)
	<u>130,871</u>	<u>168,299</u>

#### Fees payable to the auditor:

	2017 £	2016 £
Audit of financial statements	5,125	4,500
Audit of ESFA annual return	925	900
Audit of TPS annual return	500	1,000
Preparation of financial statements	1,150	1,100
	<u>7,700</u>	<u>7,500</u>

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	-	1,395,825	1,395,825	1,434,551
Support costs - educational operations	-	431,525	431,525	364,541
	<u>-</u>	<u>1,827,350</u>	<u>1,827,350</u>	<u>1,799,092</u>

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities

(Continued)

Analysis of costs	2017 £	2016 £
<b>Direct costs</b>		
Teaching and educational support staff costs	1,160,638	1,175,637
Staff development	5,460	12,631
Depreciation	89,844	88,481
Computer costs	488	11,818
Educational supplies and services	45,095	49,957
Educational consultancy	57,463	44,044
Peripatetic music teachers	18,786	20,956
School trip expenses	18,051	31,027
	<u>1,395,825</u>	<u>1,434,551</u>
<b>Support costs</b>		
Support staff costs	176,925	157,211
Depreciation	37,475	26,267
Computer costs	5,795	6,483
Staff recruitment and professional fees	59,488	41,285
Maintenance of premises and equipment	15,985	34,636
Cleaning	7,327	6,469
Energy costs	23,556	23,290
Rent and rates	12,298	12,019
Insurance	28,503	36,045
Catering supplies	38,899	48,638
LGPS deficit provision net interest charge	11,000	(49,000)
Office licences, telephone and stationery	6,574	13,698
Auditor's remuneration	7,700	7,500
	<u>431,525</u>	<u>364,541</u>

### 9 Staff costs

	2017 £	2016 £
Wages and salaries	1,064,311	1,088,802
Social security costs	66,500	54,228
Operating costs of defined benefit pension schemes	206,189	166,026
	<u>1,337,000</u>	<u>1,309,056</u>
Staff costs		
Supply staff costs	563	23,792
	<u>1,337,563</u>	<u>1,332,848</u>



# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

(Continued)

#### Staff numbers

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

	2017 Number	2016 Number
Teachers	22	21
Teaching assistants	20	22
Midday supervisors	12	13
Caretakers and cleaners	4	4
Catering	5	5
Administration staff	3	4
	<u>66</u>	<u>69</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2017 Number	2016 Number
Teachers	18.50	18.06
Teaching assistants	12.21	13.01
Midday supervisors	2.41	2.38
Caretakers and cleaners	2.63	2.59
Catering	2.47	2.47
Administration staff	2.30	2.22
	<u>40.52</u>	<u>40.73</u>

#### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

#### Staff redundancy costs

Due to pressures on the Academy's budget, the Academy was unable to sustain the previous leadership structure. As a result, during 2016 the Academy made the former Deputy Head Teacher redundant, incurring staff redundancy costs totalling £31,750.

#### Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £164,193 (2016 - £129,763, excluding £31,750 redundancy payment paid to the former Deputy Head Teacher).

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 10 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

Adam Walsh (Executive Head Teacher) - appointed 1st September 2016

- Remuneration £50,000 - £55,000 (2016: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Karen O'Shea (Head Of School) - appointed 11th July 2016

- Remuneration £45,000 - £50,000 (2016: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Alexander Kolb (Assistant Head Teacher from 1st September 2016) - appointed 14th December 2015

- Remuneration £35,000 - £40,000 (2016: £30,000 - £35,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Susan Godson (Staff Governor)

- Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Adam Walsh shares his time between both St Nicholas C Of E Primary School and Coughton C Of E Primary School. The amounts shown above is only the element of his salary paid by St Nicholas C Of E Alcester and excludes the element of his salary paid by Coughton C Of E Primary School.

During the year 4 Governors were reimbursed expenses relating to educational supplies and sundry admin costs totalling £327 (2016 - no Governors were reimbursed any expenses).

#### 11 Governors and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. This insurance is included in a schools combined insurance policy which includes cover for multiple other types of insurance and the cost of insurance to protect Governors and officers cannot be easily determined as an individual element of the total cost of this combined insurance policy.

#### 12 Transfers

During the year the following transfers between funds were made:

- £22,906 transferred from unrestricted funds to general fixed asset funds due to tangible fixed asset additions funded out of unrestricted funds
- £8,478 transferred from DFC fund to general fixed asset funds due to tangible fixed asset additions funded out of DFC funds
- £32,054 transferred from Condition Improvement Fund to general fixed asset funds due to tangible fixed asset additions funded out of Condition Improvement Fund
- £5,670 transferred from unrestricted funds to GAG fund to cover GAG fund expenditure in excess of income for the year

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 13 Tangible fixed assets

	Leasehold land & buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2016	6,353,315	-	154,914	46,886	6,555,115
Additions	-	56,310	7,128	-	63,438
At 31 August 2017	6,353,315	56,310	162,042	46,886	6,618,553
<b>Depreciation</b>					
At 1 September 2016	161,172	-	52,477	16,262	229,911
Charge for the year	80,587	597	36,878	9,257	127,319
At 31 August 2017	241,759	597	89,355	25,519	357,230
<b>Net book value</b>					
At 31 August 2017	6,111,556	55,713	72,687	21,367	6,261,323
At 31 August 2016	6,192,143	-	102,437	30,624	6,325,204

Included in cost or valuation of land and buildings is leasehold land of £2,324,000 (2016 - £2,324,000)

### 14 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	44,365	33,716

### 15 Debtors

	2017 £	2016 £
VAT recoverable	20,059	14,875
Prepayments	36,517	43,836
Accrued income	17,478	25,430
	74,054	84,141

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>16</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	30,202	17,885
	Other taxation and social security	17,659	14,051
	Accruals	14,163	15,831
	Deferred income (see note 17)	41,926	34,021
		<u>103,950</u>	<u>81,788</u>
<b>17</b>	<b>Deferred income</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year (see note 16)	<u>41,926</u>	<u>34,021</u>
	Deferred income at 1 September 2016	34,021	34,669
	Released from previous years	(34,021)	(34,669)
	Amounts deferred in the year	<u>41,926</u>	<u>34,021</u>
	<b>Deferred income at 31 August 2017</b>	<u><b>41,926</b></u>	<u><b>34,021</b></u>

Deferred income relates to UIFSM received early relating to the next financial year and contributions from parents towards future school trips and extracurricular activities.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	-	1,566,916	(1,572,586)	5,670	-
Pupil Premium	24,065	114,697	(115,599)	-	23,163
Special Educational Needs	-	6,611	(6,611)	-	-
PE & Sport Premium	553	9,705	(10,258)	-	-
Forest School Project	-	3,000	(3,000)	-	-
	<u>24,618</u>	<u>1,700,929</u>	<u>(1,708,054)</u>	<u>5,670</u>	<u>23,163</u>
Funds excluding pensions	24,618	1,700,929	(1,708,054)	5,670	23,163
Pension reserve	(535,000)	-	(61,000)	149,000	(447,000)
	<u>(510,382)</u>	<u>1,700,929</u>	<u>(1,769,054)</u>	<u>154,670</u>	<u>(423,837)</u>
<b>Restricted fixed asset funds</b>					
General fixed asset funds	6,325,204	-	(127,319)	63,438	6,261,323
Devolved Formula Capital	-	8,478	-	(8,478)	-
Condition Improvement Fund	-	60,529	-	(32,054)	28,475
	<u>6,325,204</u>	<u>69,007</u>	<u>(127,319)</u>	<u>22,906</u>	<u>6,289,798</u>
<b>Total restricted funds</b>	<u>5,814,822</u>	<u>1,769,936</u>	<u>(1,896,373)</u>	<u>177,576</u>	<u>5,865,961</u>
<b>Unrestricted funds</b>					
General funds	154,253	85,919	-	(28,576)	211,596
Library Fund	5,656	2,000	-	-	7,656
	<u>159,909</u>	<u>87,919</u>	<u>-</u>	<u>(28,576)</u>	<u>219,252</u>
<b>Total funds</b>	<u>5,974,731</u>	<u>1,857,855</u>	<u>(1,896,373)</u>	<u>149,000</u>	<u>6,085,213</u>

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 18 Funds

(Continued)

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

#### Unrestricted funds

General unrestricted funds relate to funds that are expendable at the discretion of the Governors in furtherance of the charity's aims and objectives.

The Library Fund relates to a donation received from the Alcester Trade And Labour Club and the Friends of St Nicholas that has been earmarked to be spent on converting an existing classroom into the new school library.

#### Restricted Revenue Funds

The General Annual Grant (GAG) fund relates to income received from the ESFA in order to cover the normal running costs of the Academy. It also includes the surplus of funds received on conversion from Local Authority control not relating to capital fixed assets. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The Pupil Premium fund relates to additional funding from the ESFA to support the disadvantaged pupils of the school and close the attainment gap between them and their peers.

The Special Educational Needs fund relates to income received from Warwickshire County Council to assist pupils with special educational needs.

The PE & Sports Premium fund relates to additional funding from the ESFA to help primary schools improve the quality of the PE and sport activities they offer their pupils.

The Forest School Project fund relates to a specific grant received from the Friends of St Nicholas to fund a specific school project.

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the ESFA.

#### Restricted Fixed Asset Funds

Restricted fixed asset funds relate to the tangible fixed assets owned by the Academy.

Devolved Formula Capital fund relate to funding received for the purposes of purchasing fixed assets.

Conditional Improvement Fund relates to a specific grant received to fund replacing the windows and doors of the school.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	2,726	1,590,230	(1,595,946)	2,990	-
Pupil Premium	10,844	128,007	(77,330)	(37,456)	24,065
Special Educational Needs	-	14,397	(28,874)	14,477	-
PE & Sport Premium	4,948	9,725	(6,366)	(7,754)	553
	<u>18,518</u>	<u>1,742,359</u>	<u>(1,708,516)</u>	<u>(27,743)</u>	<u>24,618</u>
Funds excluding pensions	(302,000)	-	25,000	(258,000)	(535,000)
	<u>(283,482)</u>	<u>1,742,359</u>	<u>(1,683,516)</u>	<u>(285,743)</u>	<u>(510,382)</u>
<b>Restricted fixed asset funds</b>					
General fixed asset funds	6,349,283	-	(114,748)	90,669	6,325,204
Devolved Formula Capital	-	8,556	-	(8,556)	-
	<u>6,349,283</u>	<u>8,556</u>	<u>(114,748)</u>	<u>82,113</u>	<u>6,325,204</u>
<b>Total restricted funds</b>	<u>6,065,801</u>	<u>1,750,915</u>	<u>(1,798,264)</u>	<u>(203,630)</u>	<u>5,814,822</u>
<b>Unrestricted funds</b>					
General funds	166,983	41,640	-	(54,370)	154,253
Library Fund	6,657	-	(1,001)	-	5,656
	<u>173,640</u>	<u>41,640</u>	<u>(1,001)</u>	<u>(54,370)</u>	<u>159,909</u>
<b>Total funds</b>	<u>6,239,441</u>	<u>1,792,555</u>	<u>(1,799,265)</u>	<u>(258,000)</u>	<u>5,974,731</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	6,261,323	6,261,323
Current assets	219,252	127,113	28,475	374,840
Creditors falling due within one year	-	(103,950)	-	(103,950)
Defined benefit pension liability	-	(447,000)	-	(447,000)
	<u>219,252</u>	<u>(423,837)</u>	<u>6,289,798</u>	<u>6,085,213</u>

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	6,325,204	6,325,204
Current assets	159,909	106,406	-	266,315
Creditors falling due within one year	-	(81,788)	-	(81,788)
Defined benefit pension liability	-	(535,000)	-	(535,000)
	<u>159,909</u>	<u>(510,382)</u>	<u>6,325,204</u>	<u>5,974,731</u>

### 20 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31st March 2012, and that of the LGPS related to the period ended 31st March 2016.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, 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.



# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £95,167 (2016 - £85,932).

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

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 the assets held in separate trustee-administered funds. The total contributions are as noted below.

The agreed contribution rates for future years are 20.6% for employers, as well as additional lump sum payments of £4,500 remaining for the year ended 31st March 2018, £8,000 for the year ended 31st March 2019 and £11,000 for the year ended 31st March 2020, and between 5.5% and 12.5% depending on the level of salary earned 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 18th July 2013.

#### Valuation of LGPS provision

The amounts recognised in the balance sheet are as follows:

	2017 £	2016 £
Present value of defined benefit obligations	(1,022,000)	(1,047,000)
Fair value of the Academy's share of scheme assets	575,000	512,000
Academy's share of LGPS net deficit	<u>(447,000)</u>	<u>(535,000)</u>

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

Total contributions made	2017 £	2016 £
Employer's contributions	51,000	46,000
Employees' contributions	13,000	12,000
Total contributions	64,000	58,000
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.0	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0

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

	2017 Years	2016 Years
Retiring today		
- Males	22.5	22.4
- Females	24.7	24.4
Retiring in 20 years		
- Males	24.3	24.3
- Females	26.7	26.6

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £	2016 £
Discount rate - 0.5%	121,000	128,000
Mortality assumption + 1 year	44,000	31,000
Pension rate + 0.5%	96,000	81,000
Salary rate + 0.5%	22,000	43,000

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

#### The Academy's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	374,000	333,000
Bonds	127,000	118,000
Cash	11,000	5,000
Property	63,000	56,000
Total market value of assets	575,000	512,000

Actual return on scheme assets - gain/(loss)	3,000	76,000
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#### Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	16,000	5,000
Interest cost	11,000	(49,000)
Benefit changes, curtailments and settlements gains or losses	34,000	19,000
Total operating charge	61,000	(25,000)

#### Changes in the present value of defined benefit obligations

	2017 £	2016 £
Obligations at 1 September 2016	1,047,000	680,000
Current service cost	101,000	70,000
Interest cost	22,000	27,000
Employee contributions	13,000	12,000
Actuarial (gains)/losses:		
- changes in demographic assumptions	(11,000)	-
- changes in financial assumptions	(115,000)	258,000
- other experience adjustments	(31,000)	-
Benefits paid	(4,000)	-
At 31 August 2017	1,022,000	1,047,000

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

#### Changes in the fair value of the Academy's share of scheme assets

	2017 £	2016 £
Assets at 1 September 2016	512,000	378,000
Interest income	11,000	15,000
Actuarial gains/(losses):		
- return on assets excluding amounts included in net interest	(8,000)	61,000
Employer contributions	51,000	46,000
Employee contributions	13,000	12,000
Benefits paid	(4,000)	-
At 31 August 2017	575,000	512,000

### 21 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(38,518)	(6,710)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(69,007)	(8,556)
Investment income receivable	(195)	(313)
Defined benefit pension costs less contributions payable	50,000	24,000
Defined benefit pension net finance cost/(income)	11,000	(49,000)
Depreciation of tangible fixed assets	127,319	114,748
Decrease/(increase) in debtors	10,087	(1,261)
Increase/(decrease) in creditors	22,162	(4,701)
Net cash provided by operating activities	112,848	68,207

### 22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	564	2,552
Amounts due in two and five years	-	564
	564	3,116

After the year end the charitable company signed a new operating lease agreement with annual operating lease charges of £2,106 per year for 5 years.

# ST NICHOLAS' COFE SCHOOL ALCESTER

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 23 Capital commitments

	2017	2016
	£	£
Expenditure contracted for but not provided in the accounts	18,643	-

During the year work was started on replacing windows and doors throughout the school, funded out of an ESFA CIF grant, which was completed after the year end.

### 24 Related party transactions

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

### 25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.