

REGISTERED COMPANY NUMBER: 08333208 (England and Wales)

Report of the Governors and  
Financial Statements for the Year Ended 31 August 2017  
for  
Llangrove C E Academy



Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Llangrove C E Academy

Reference and Administrative Details  
for the Year Ended 31 August 2017

**GOVERNORS**

P Box (Principal Accounting Officer)\*  
J Deloyde (Staff governor)\*  
P Whitcombe  
J Howie (Staff governor) (resigned 24.4.17)  
M Visser  
J Bibby  
R Woodcock (Chairman)\*  
J Bailey  
D Morehead  
C Harris  
V Rossiter  
C Watson  
S Dean (Staff governor) (appointed 24.4.17)  
P Bentham (appointed 1.10.17)

\*members of the finance and premises committee

**MEMBERS**

Diocese of Hereford Educational Trust  
Rev P Bentham (appointed 01.10.17)  
Parochial Church Council Parish of Llangrove  
Parochial Church Council Parish of Welsh Newton  
Parochial Church Council Parish of Llangarron  
Chair of Governors

**SENIOR MANAGEMENT TEAM**

P Box	Executive Headteacher
P Whitcombe	Executive Headteacher
S Dean	Head of school
E Fox	Deputy Head of school

**DIRECTOR OF FINANCE AND  
ADMINISTRATION**

J Deloyde

**COMPANY SECRETARY**

S Morehead

**REGISTERED OFFICE**

Llangrove  
Ross on Wye  
Herefordshire  
HR9 6EZ

**REGISTERED COMPANY NUMBER**

08333208 (England and Wales)

Llangrove C E Academy

Reference and Administrative Details  
for the Year Ended 31 August 2017

**AUDITORS**

Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

**SOLICITORS**

Anthony Collins Solicitors  
134 Edmond Street  
Birmingham  
B3 2ES

**BANKERS**

Lloyds  
6-8 High Town  
Hereford  
HR1 2AE

## Llangrove C E Academy

### Report of the Governors for the Year Ended 31 August 2017

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The governors have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and aims**

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

The aims of the Academy during the period ended 31 August 2017 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners
- to develop the Academy sites so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to fulfil the role of a teaching school
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards and integrity, probity and openness.

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy continues to maintain and manage a school with a designated Church of England religious character, arranging for religious education and daily acts of worship. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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

The main objectives for the year and strategies for achieving them are contained in the school's Strategic Development Plan which is available from each member of the Senior Leadership Team.

##### **Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

## Llangrove C E Academy

### Report of the Governors for the Year Ended 31 August 2017

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### *Charitable activities*

Llangrove CE Academy again continues to increase in pupil numbers after our successful Ofsted inspection in October 2014; achieving Good overall with Leadership & Management and Behaviour & Safety of Pupils considered Outstanding. Pupil numbers have remained consistent this year.

We are very proud and thrilled this year that Llangrove CE Academy has been featured in the Tatler Magazine in their 'The Most Marvellous State School Guide in Britain' for 2017.

Llangrove CE Academy has taken part in shared federation activities including the Federation Olympics, HMFA Gymnastics, HMFA Rugby, HMFA Cricket Tournament and the HMFA Tennis Tournament. This year children in years 4, 5 and 6 have also had rugby coaching from Worcester Warriors.

Children have also represented Llangrove CE Academy in the Swimming Gala at Haberdashers Monmouth Sports Centre with excellent results. Being one of the smallest schools we were very proud to take 3rd place.

In recognition of our children's outstanding achievement in sport and PE, this year Llangrove CE Academy was awarded the 'Sainsbury's School Silver Sports Award'.

Key Stage One children attended the federation multi-skills event at Hereford Leisure Centre. The children participated in a range of activities which are non-sports specific and designed to improve their basic movement and fundamental sport skills in a fun, challenging and enjoyable environment.

Pupils from Year 5 and Year 6 across the HMFA schools have taken part in residential trips to London and the Oaker Wood activity centre. This year children in Years 3, 4 & 5 attended the inspiring Hay Festival.

Pupils in Year 4 and 5 performed their 'Candy Man' dance as part of the Moving Targets performances at the Courtyard Theatre, Hereford with every child having an integral role in every scene.

Year 4, 5 and 6 children also gave a matinée and evening performance taking part in 'Young Voices' at Birmingham's LG Arena. This was a wonderful opportunity where the children joined thousands of other children to form one of the largest children's choirs in the world.

This year teachers have received training in; Reasoning for Maths - Tara Maths and Talk4Writing as well as a wide variety of "responsibility specific" training, including Safeguarding, Raise online and Moderation. Teachers have also attended workshops for 'Outstanding Learning in the Primary Science Curriculum' and 'Stories can be Counted on! with Neil Griffiths'. Teaching and support staff have also received additional training in Attachment & Trauma, Team Teach and Positive Handling. All staff are up to date with safeguarding training.

The Early Years team have worked systematically across all schools to moderate assessment data, with all schools scoring above the County and National Average. This is also the case with Year 1 phonics screening data, where Llangrove Year 1 phonics achieved a 100% pass and Year 2 phonics retakes achieved a 50% pass (2 pupils). Llangrove consistently achieves significantly above National Average pass rates.

Both Executive Headteachers are centrally qualified, and practising, Ofsted Inspectors. In addition both achieved PQSI - Professional Qualification in School Inspection. This provides timely strategic input into leadership, governance, safeguarding, assessment and expectations of behaviour and well-being.

###### *Key financial performance indicators*

These are covered throughout the Governors' Report.

## **STRATEGIC REPORT**

### **Financial review**

#### *Financial position*

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

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2017, total expenditure of £287,117 (2016: £255,425) was covered by recurrent grant funding from the DfES. The net expenditure before transfers and revaluations for the year was £4,778 (2016: £37,371 net expenditure).

At 31 August 2017, the net book value of fixed assets was £711,458 (2016: £727,347) and movements in tangible fixed assets are shown in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

#### *Investment policy*

The school will invest any surplus funds on deposit to ensure it maximises its return.

#### *Reserves policy*

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £3,893 (2016: £114), all of which is free reserves. The level of general restricted reserves is £52,448 (2016: £52,160).

#### *Going concern*

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

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

### **Principal risks and uncertainties**

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

## Llangrove C E Academy

### Report of the Governors for the Year Ended 31 August 2017

#### **STRATEGIC REPORT**

##### **Financial and risk management objectives and policies**

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

##### **Plans for the future**

Llangrove CE Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Llangrove CE Academy will continue to work with partner schools to improve the educational opportunities for students in Herefordshire.

As a partner teaching school with Worcester University and Haybridge Teaching School, Birmingham, the Academy will continue to support students completing initial teacher training. School Direct students from the HMFA hub will be supported within our school.

Full details of the Curriculum Strategic Plans are available from the school office or on the website.

However, the Key Initiatives for 2017/18 are:

- Assessment without levels
- Development of writing, including grammar and spelling
- Improve website and online facilities

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Company was incorporated on the 17th December 2012 and converted from a Local Authority School to an Academy Trust on the 1st February 2013.

The governors act as the trustees for the charitable activities of Llangrove CE Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Llangrove CE Academy.

Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

##### **Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the 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**

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

The liability insurance is provided by Arthur J Gallagher Insurance Brokers.

##### **Principal activities**

This is defined in the Articles of Association.

## Llangrove C E Academy

### Report of the Governors for the Year Ended 31 August 2017

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Method of Recruitment and appointment or Election of Governors**

This is defined in the Articles of Association:

The Members shall appoint a minimum of 8 Governors of whom the following corporate members shall also be governors the Incumbent ex officio and including:

- 3 persons nominated by the Diocesan Board of Education
- 2 persons appointed by Llangrove Parochial Church Council
- 1 person appointed by Welsh Newton Parochial Church Council
- 1 person appointed by Llangarron Parochial Church Council

The Members may appoint Staff Governors through such process as they may determine.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

##### **Organisational structure**

The Academy together with its close links with Herefordshire Marches Federation of Academies has a leadership structure which consists of the governors, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The Senior Management Team are the Principal (Chief Executive), three Vice Principals and the Finance Director. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Principal must countersign.

Heads of Department are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

##### **Policies and Procedures for the Induction and training of Governors**

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.



**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Arrangement for setting pay and remuneration of key management**

1. Performance pay review is completed by the HMFA pay review committee, made up of representatives from each school, mostly Chairs of Governors, including Llangrove's Chair of Governors.
2. Performance Management in each school takes place on an annual cycle of review. It is undertaken by the senior leaders, Deputy Head teachers and Executive Head teachers.
3. Targets are related to current school key areas as well as individual targets and are linked to the new teacher standards.
4. Staff underperforming are given clear agreed targets with appropriate timescale for review, and a mentor from the leadership team.

**Related parties and other connected charities and organisations**

The Academy has strong collaborative links with 2 other primary schools; Canon Pyon Primary Academy and Lord Scudamore Academy. The Headteachers Peter Box and Paul Whitcombe are Executive Headteachers at both of these schools.

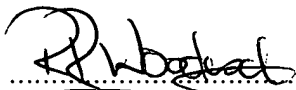
Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting. The following companies have been identified as having a Related Party Relationship as they share common Directors; Activate Educational Ltd and Calon Solutions Ltd.

**AUDITORS**

Insofar 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.

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on .....14-11-17..... and signed on its behalf by:

  
.....  
R Woodcock - Chairman

## Llangrove C E Academy

### Governance Statement for the Year Ended 31 August 2017

#### **Scope of Responsibility**

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

The board of the governors has delegated the day-to-day responsibility to the Principal, 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 Llangrove C E Academy 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 Governing Body has formally met 3 times during the period. These meetings also covered Finance and staffing agendas. Attendance during the period at meetings of the Governing Body was as follows:

Governor		Meetings Attended	Out of a Possible
R Woodcock	Chairman	3	3
J Howie	Staff Governor (resigned 24/4/17)	2	2
P Box	Principal Accounting Officer	2	3
J Deloyde	Staff Governor	3	3
P Whitcombe		1	3
M Visser		2	3
J Bibby		1	3
J Bailey		3	3
D Morehead		3	3
C Harris		1	3
V Rossiter		2	3
C Waston		2	3
S Dean	Staff Governor (appointed 24/4/17)	2	2

#### **Governance Review**

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

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

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

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

- HMFA have a legally bound connection with Llangrove and the other schools and academies in the Federation. We are able to minimise costs by the sharing of resources, staff, vehicles and combining pupil extra-curricular activities.
- We purchase services as a group to obtain discount and best rate. Examples of this are for Professional services, Advertising, IT licences and IT software.
- We have been able to maximise the use of the PE Sports Grant funding with the sharing of specialist PE teacher employed by the federation.
- Where possible we negotiate and purchase services as a group to obtain discount and best rate. Two of our high value service providers offer discounts across the federation. These suppliers are Hoople Ltd who provides Payroll, Staffing and HR Services, SIMS and Schools Advisory Service who provide staff absence insurance.

**Review of Value for Money**

- We belong to Activate Central; a network of local schools within the county which focuses on professional development and training. This has provided us with the access to low cost specialist training events and expertise.
- As an academy we regularly look at our services and contracts to check if they need to be appraised or renegotiated to get the best mix of quality and effectiveness for the least cost. We continue to utilise the valuable people and skills we already have working in the Federation enabling us to make a further saving.
- Wherever possible we request annual service charges to be invoiced to us on a monthly/quarterly basis so that the cost can be evenly spread over the financial year to minimise impact on cash flow. Bank reconciliations are performed on a monthly basis to monitor cash flow.
- We adopt best practice in terms of prudence and financial management. Where possible a tender process is undertaken for any supplies or services over an agreed amount, this has driven down costs so as to obtain value for money.

The Academy Trust has continued to develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost.

- We continue to buy the Academy's heating oil within a local "oil syndicate" as a bulk order giving a considerable saving each year of up to £300. This is also saving time as it is organised by a local villager who sources the best price and arranges delivery on our behalf.
- The renewal of sickness insurance was again looked at this year, three quotes were collected from: APL Absence Protection, Harrington Bates and Schools Advisory Service (SAS). The decision was to remain with SAS, they offered the best rate, by far, and also a further discount was given for a three year fixed price policy. The discount for the 3 year policy is approx. £85 per year with a further discount being given as we are part of the HMFA group.
- This year to reduce photocopying costs we investigated changing our photocopier. We looked at Midshire Communications Ltd who offered a Kyocera copier and Alto Digital who supply our existing Ricoh copier. The decision was to stay with Alto Digital for many reasons; they are reliable, printing costs were cheaper and we were offered a new Ricoh printer at a special pre-Christmas price. By making this change we hope to save approximately £500 per year on printing costs.
- In 2015/16 Llangrove CE Academy together with HMFA reviewed the current IT infrastructure across the HMFA schools to consider IT solutions and development through strategic vision and planning meetings. One area that was highlighted in need of change was the current Broadband service which wasn't considered good value for money as the service was unreliable and expensive. HMFA explored various Internet service options taking into consideration; cost, contract length, speed and reliability of service. It was agreed that Llangrove CE Academy would switch to a Fibre Optic service saving the school approximately £2368 per year (69% of current costs). This switch to BT was completed in September 2016 and has made a considerable saving for Llangrove CE Academy.
- Our onsite pre-school generates additional rental income each year, Leapfrogs rental is on a daily basis for most of the year, including school holidays. We also promote the use of our school premises for lettings which includes: Parish Councils, Leapfrogs Preschool fundraising activities, Beavers/Rainbows, amongst others. This now generates another small extra income.

**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 charitable company 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 Llangrove C E Academy for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of governors has reviewed the key risks to which the charitable company 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 on-going process for identifying, evaluating and managing the charitable company'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 financial statements. This process is regularly reviewed by the board of governors.

Llangrove C E Academy

Governance Statement  
for the Year Ended 31 August 2017

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Llangrove CE Academy reconciliation of accounts are carried out on a monthly basis by the Finance Director and are subsequently checked and agreed by the Chair of Governors.

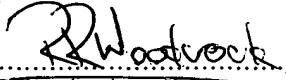
**Review of Effectiveness**

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

- the work of the 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 Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on .....14-11-17..... and signed on its behalf by:

  
.....  
R Woodcock - Chairman

  
.....  
P Box - Accounting Officer

Llangrove C E Academy

Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2017

As Accounting Officer of Llangrove C E Academy I have considered my responsibility to notify the charitable company 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 charitable company 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 charitable company board of governors are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.



.....  
P Box - Accounting Officer

Date: .....14.11.2017.....

Llangrove C E Academy

Statement of Governors Responsibilities  
for the Year Ended 31 August 2017

The governors (who act as trustees of Llangrove C E Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, 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;
- state whether applicable UK Accounting Standard [FRS102] have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on .....14-11-17..... and signed on its behalf by:

.....  
R Woodcock - Chairman

Report of the Independent Auditors to the Members of  
Llangrove C E Academy

**Opinion**

We have audited the financial statements of Llangrove C E Academy (the 'charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2016 to 2017 issued by the Education Skills Funding Agency (ESFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the 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 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of  
Llangrove C E Academy

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

**Responsibilities of governors**


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

In preparing the financial statements, the governors are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

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

  
Mr Kevin M Tong FCCA, ACA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: ..... 14/11/17 .....

**Note:**

The maintenance and integrity of the Llangrove C E Academy website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



Independent Reporting Accountant's Assurance Report on Regularity to  
Llangrove C E Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement 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 Llangrove C E Academy 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 Llangrove C E Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Llangrove C E Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Llangrove C E Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Llangrove C E Academy's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Llangrove C E Academy'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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters


This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 22 in the attached accounts.

Independent Reporting Accountant's Assurance Report on Regularity to  
Llangrove C E Academy and the Education and Skills Funding Agency

**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.

  
Thorne Widgey Accountancy Ltd  
Chartered Accountants  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: .....14/11/17.....

Llangrove C E Academy

Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 August 2017

				31.8.17	31.8.16
	Notes	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and capital grants	2	-	35,088	7,931	43,019
<b>Charitable activities</b>					
Funding for the academy's educational operations	3	-	-	325,303	325,303
Other trading activities	4	3,739	-	43,509	47,248
Investment income	5	40	-	-	40
<b>Total</b>		<b>3,779</b>	<b>35,088</b>	<b>376,743</b>	<b>415,610</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
Academy's educational operations		-	31,931	388,457	420,388
<b>NET INCOME/(EXPENDITURE)</b>		<b>3,779</b>	<b>3,157</b>	<b>(11,714)</b>	<b>(4,778)</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		-	-	4,000	4,000
<b>Net movement in funds</b>		<b>3,779</b>	<b>3,157</b>	<b>(7,714)</b>	<b>(778)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		114	727,345	(94,838)	632,621
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>3,893</b>	<b>730,502</b>	<b>(102,552)</b>	<b>632,621</b>


The notes form part of these financial statements

Llangrove C E Academy (Registered number: 08333208)

Balance Sheet  
At 31 August 2017

	Notes	31.8.17 £	31.8.16 £
<b>FIXED ASSETS</b>			
Tangible assets	12	711,458	727,347
<b>CURRENT ASSETS</b>			
Debtors	13	34,076	15,551
Cash at bank and in hand		<u>72,269</u>	<u>56,643</u>
		106,345	72,194
<b>CREDITORS</b>			
Amounts falling due within one year	14	(30,960)	(19,920)
<b>NET CURRENT ASSETS</b>		<u>75,385</u>	<u>52,274</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		786,843	779,621
<b>PENSION LIABILITY</b>	19	(155,000)	(147,000)
<b>NET ASSETS</b>		<u>631,843</u>	<u>632,621</u>
<b>FUNDS</b>	18		
Unrestricted funds:			
Unrestricted Fund		3,893	114
Restricted funds:			
Restricted Pension Fund		(155,000)	(147,000)
General Annual Grant		46,244	43,694
Other Restricted		6,204	6,710
Other DfE/EFA Grants		-	1,756
DfE/YPLA Capital Grants		23,740	6,655
Conversion and depreciation		702,358	714,498
Fixed Assets funded by other grants/donation		<u>4,404</u>	<u>6,194</u>
		<u>627,950</u>	<u>632,507</u>
<b>TOTAL FUNDS</b>		<u>631,843</u>	<u>632,621</u>

The financial statements were approved and authorised for issue by the Board of Governors on .....14.11.17..... and were signed on its behalf by:

  
.....  
R Woodcock - Chairman

The notes form part of these financial statements

Llangrove C E Academy

Cash Flow Statement  
for the Year Ended 31 August 2017

	Notes	31.8.17 £	31.8.16 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(19,502)	(41,111)
<b>Net cash provided by (used in) operating activities</b>		<u>(19,502)</u>	<u>(41,111)</u>
<b>Cash flows from investing activities:</b>			
Capital grants from DfE/EFA		35,088	4,551
Interest received		<u>40</u>	<u>78</u>
<b>Net cash provided by (used in) investing activities</b>		<u>35,128</u>	<u>4,629</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		15,626	(36,482)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>56,643</u>	<u>93,125</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>72,269</u>	<u>56,643</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.17 £	31.8.16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(4,778)	(37,371)
Adjustments for:		
Depreciation	15,889	15,889
Capital grants from DfE/EFA	(35,088)	(4,551)
Interest received	(40)	(78)
Increase in debtors	(18,525)	(984)
Increase/(decrease) in creditors	11,040	(20,016)
Difference between pension charge and cash contributions	<u>12,000</u>	<u>6,000</u>
Net cash provided by (used in) operating activities	<u>(19,502)</u>	<u>(41,111)</u>

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Llangrove C E Academy meets the definition of a public benefit entity under FRS 102.

**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 Company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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.

**Sponsorship income**

Sponsorship income provided to the charity which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

**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'.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

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

**Tangible fixed assets**

Assets costing £1,000 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 lives, as follows:

Leasehold buildings	2% per annum
Fixtures, fittings and equipment	15-20% per annum
ICT equipment	33 1/3% per annum

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

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

Land and buildings are not revalued.



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**1. ACCOUNTING POLICIES - continued**

**Investments**

Any surplus funds will be invested to ensure maximum deposit.

**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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

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

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

**Leased Assets**

Rentals under operating leases are charged on straight line basis over the lease term.

**Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Taxation**

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

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

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

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

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

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

1. ACCOUNTING POLICIES - continued

**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Capital Grants	-	35,088	35,088	4,551
School trips etc	-	3,543	3,543	3,218
Grants and donations	-	4,388	4,388	5,979
	<u>-</u>	<u>43,019</u>	<u>43,019</u>	<u>13,748</u>

Grants received, included in the above, are as follows:

	31.8.17 Total funds £	31.8.16 Total funds £
Capital grant	<u>35,088</u>	<u>4,551</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	289,664	289,664	269,116
Other DfE/EFA Grant	-	<u>32,076</u>	<u>32,076</u>	<u>35,969</u>
	-	321,740	321,740	305,085
Other government grant				
LAC funding	-	<u>3,563</u>	<u>3,563</u>	-
	-	<u>325,303</u>	<u>325,303</u>	<u>305,085</u>

4. OTHER TRADING ACTIVITIES

	31.8.17 £	31.8.16 £
Hire of facilities	3,739	3,810
Income from other schools	<u>43,509</u>	<u>1,659</u>
	<u>47,248</u>	<u>5,469</u>

5. INVESTMENT INCOME

	31.8.17 £	31.8.16 £
Deposit account interest	<u>40</u>	<u>78</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		31.8.17 Total £	31.8.16 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	209,175	11,140	59,939	280,254	221,463
Allocated support costs	<u>63,266</u>	<u>34,418</u>	<u>42,450</u>	<u>140,134</u>	<u>140,288</u>
	<u>272,441</u>	<u>45,558</u>	<u>102,389</u>	<u>420,388</u>	<u>361,751</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	31.8.17	31.8.16
	£	£
Auditors' remuneration	5,785	5,810
Other non-audit services	345	-
Depreciation - owned assets	15,889	15,888
Operating leases	<u>3,047</u>	<u>3,010</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	31.8.17 Total funds	31.8.16 Total funds
	£	£	£	£
Direct costs	-	280,254	280,254	221,463
Support costs	<u>-</u>	<u>140,134</u>	<u>140,134</u>	<u>140,288</u>
	<u>-</u>	<u>420,388</u>	<u>420,388</u>	<u>361,751</u>

	31.8.17 Total	31.8.16 Total
	£	£
<b>Analysis of support costs</b>		
Support staff costs	63,266	60,173
Depreciation	4,749	4,749
Administrative supplies	10,082	12,042
Premises costs	34,418	37,608
Other support costs	21,489	19,906
Governance costs	<u>6,130</u>	<u>5,810</u>
<b>Total support costs</b>	<u>140,134</u>	<u>140,288</u>

**8. GOVERNORS' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

J Howie (staff governor): (resigned 24/4/17)	Remuneration	£5,000 - £10,000	(2016: £10,000 - £15,000)
	Employers Pension Contributions	£0 - £5,000	(2016: £0 - £5,000)
J Deloyde (staff governor):	Remuneration	£30,000 - £35,000	(2016: £30,000 - £35,000)
	Employers Pension Contributions	£5,000 - £10,000	(2016: £5,000 - £10,000)
S Dean (staff governor): (appointed 24/4/17)	Remuneration	£15,000 - £20,000	
	Employers Pension Contributions	£0 - £5,000	

Remuneration for governors appointed and resigning during the year are only stated for the period the individual was acting as a governor.

Other related party transactions involving the trustees are set out in the notes to the financial statements.

**Governors' expenses**

During the period ended 31 August 2017, travel and subsistence expenses totalling £187 were reimbursed or paid directly to 3 trustees (2016: £154 to 2 trustees).

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**9. STAFF COSTS**

	31.8.17	31.8.16
	£	£
Wages and salaries	208,855	164,114
Social security costs	14,832	5,931
Operating costs of defined benefit pension schemes	<u>39,564</u>	<u>31,539</u>
	263,251	201,584
Supply teacher costs	1,121	-
Compensation payments	<u>8,069</u>	<u>-</u>
	<u>272,441</u>	<u>201,584</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.17	31.8.16
Teachers	3	2
Administration and Support	8	8
Management	<u>1</u>	<u>1</u>
	<u>12</u>	<u>11</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £133,481 (2016: £136,363).

In addition to above, £20,000 (2016: £25,000) was paid to Calon Solutions Ltd the provider of the Executive Head teachers. The executive head teachers are included within the senior management team on page 1. The service level agreement with Calon Solutions Ltd finished on 5 April 2017 on the introduction of IR35.

From 6 April 2017, Llangrove C E Academy entered a service level agreement with P Whitcombe (the executive head). During the year gross fee of £4,000 plus £379 employer national insurance (2016: £Nil) was paid in relation to the executive head service.

**10. 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2017 was £27 (2016: £34).

The cost of this insurance is included in the total insurance cost.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	4,551	9,197	13,748
Charitable activities				
Funding for the academy's educational operations	-	-	305,085	305,085

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
Other trading activities	3,810	-	1,659	5,469
Investment income	<u>78</u>	<u>-</u>	<u>-</u>	<u>78</u>
<b>Total</b>	<b>3,888</b>	<b>4,551</b>	<b>315,941</b>	<b>324,380</b>
<b>EXPENDITURE ON</b>				
<b>Charitable activities</b>				
Academy's educational operations	<u>14,498</u>	<u>34,430</u>	<u>312,823</u>	<u>361,751</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(10,610)</b>	<b>(29,879)</b>	<b>3,118</b>	<b>(37,371)</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>-</u>	<u>(47,000)</u>	<u>(47,000)</u>
<b>Net movement in funds</b>	<b>(10,610)</b>	<b>(29,879)</b>	<b>(43,882)</b>	<b>(84,371)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	<u>10,724</u>	<u>757,226</u>	<u>(50,958)</u>	<u>716,992</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>114</u></b>	<b><u>727,347</u></b>	<b><u>(94,840)</u></b>	<b><u>632,621</u></b>

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 September 2016 and 31 August 2017	<u>753,000</u>	<u>23,744</u>	<u>776,744</u>
<b>DEPRECIATION</b>			
At 1 September 2016	39,918	9,479	49,397
Charge for year	<u>11,140</u>	<u>4,749</u>	<u>15,889</u>
At 31 August 2017	<u>51,058</u>	<u>14,228</u>	<u>65,286</u>
<b>NET BOOK VALUE</b>			
At 31 August 2017	<u>701,942</u>	<u>9,516</u>	<u>711,458</u>
At 31 August 2016	<u>713,082</u>	<u>14,265</u>	<u>727,347</u>

Included within long leasehold is land and buildings that the academy occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

Included within long leasehold is non-depreciated land with a value of £196,000.

Land and buildings are not revalued.



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade debtors	15,616	-
VAT	4,861	1,733
Prepayments and accrued income	<u>13,599</u>	<u>13,818</u>
	<u>34,076</u>	<u>15,551</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Trade creditors	7,951	7,182
Social security and other taxes	8,800	6,197
Other creditors	28	25
Accruals and deferred income	5,368	5,226
Accrued expenses	<u>8,813</u>	<u>1,290</u>
	<u>30,960</u>	<u>19,920</u>

Deferred income

	31.8.17
	£
Deferred Income at 1 September 2016	5,226
Resources deferred in the year	5,368
Amounts released from previous years	<u>(5,226)</u>
Deferred Income at 31 August 2017	<u>5,368</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meal grant relating to the Autumn 2017 term.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.17	31.8.16
	£	£
Within one year	1,340	3,009
Between one and five years	<u>2,494</u>	<u>1,111</u>
	<u>3,834</u>	<u>4,120</u>

16. MEMBERS' LIABILITY

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.17	31.8.16
	Unrestricted fund	Restricted Fixed Asset Fund	Restricted General Fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	711,458	-	711,458	727,347
Current assets	3,893	19,044	83,408	106,345	72,194
Current liabilities	-	-	(30,960)	(30,960)	(19,920)
Pension liability	-	-	(155,000)	(155,000)	(147,000)
	<u>3,893</u>	<u>730,502</u>	<u>(102,552)</u>	<u>631,843</u>	<u>632,621</u>

18. MOVEMENT IN FUNDS

	At 1.9.16 £	Net movement in funds £	At 31.8.17 £
<b>Unrestricted funds</b>			
Unrestricted Fund	114	3,779	3,893
<b>Restricted funds</b>			
Restricted Pension Fund	(147,000)	(8,000)	(155,000)
General Annual Grant	43,696	2,548	46,244
Other Restricted	6,710	(506)	6,204
Other DfE/EFA Grants	1,756	(1,756)	-
DfE/YPLA Capital Grants	6,653	17,087	23,740
Conversion and depreciation	714,498	(12,140)	702,358
Fixed Assets funded by other grants/donation	<u>6,194</u>	<u>(1,790)</u>	<u>4,404</u>
	632,507	(4,557)	627,950
<b>TOTAL FUNDS</b>	<u>632,621</u>	<u>(778)</u>	<u>631,843</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted Fund	3,779	-	-	3,779
<b>Restricted funds</b>				
General Annual Grant	289,665	(287,117)	-	2,548
Other Restricted	55,002	(55,508)	-	(506)
Other DfE/EFA Grants	32,076	(33,832)	-	(1,756)
DfE/YPLA Capital Grants	35,088	(18,001)	-	17,087
Restricted Pension Fund	-	(12,000)	4,000	(8,000)
Conversion and depreciation	-	(12,140)	-	(12,140)
Fixed Assets funded by other grants/donation	-	<u>(1,790)</u>	-	<u>(1,790)</u>
	411,831	(420,388)	4,000	(4,557)
<b>TOTAL FUNDS</b>	<u>415,610</u>	<u>(420,388)</u>	<u>4,000</u>	<u>(778)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**18. MOVEMENT IN FUNDS - continued**

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

- General Annual Grant (GAG): 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.
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

**19. PENSION AND SIMILAR OBLIGATIONS**

The academy trust'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 Worcestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £2,954 were payable to the schemes at 31 August 2017 (2016: £3,334) and are included within creditors.

**Teachers' pension scheme**

*Introduction*

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

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**19. PENSION AND SIMILAR OBLIGATIONS**  
- continued

*Valuation of the Teachers' Pension Scheme*

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

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

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

The employer's pension costs paid to TPS in the period amounted to £21,348 (2016: £14,839).

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 pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2017 was £23,439 (2016: £21,117), of which employer's contributions totalled £18,803 (2016: £16,813) and employees' contributions totalled £4,634 (2016: £4,304). The agreed contribution rates for future years are 17.6 per cent for employers and between 5.5 and 9.9 per cent for employees.

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

As the scheme is in deficit, the school has entered into an agreement with the governors to make additional contributions in addition to normal funding levels.

The rates payable over a three year period will be the Future Service Rate of 17.5% of payroll plus phased lump sum deficit contributions starting at £5,100 for the year 2018, increasing by approximately 4% per annum. The rate payable from 1 April 2019 will be further revised following the valuation of the Pension Fund which will take place on 31 March 2020.

The current estimated recovery period is 18 years.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Present value of funded obligations	(250,000)	(229,000)
Fair value of plan assets	<u>95,000</u>	<u>82,000</u>
	<u>(155,000)</u>	<u>(147,000)</u>
Deficit	<u>(155,000)</u>	<u>(147,000)</u>
Liability	<u>(155,000)</u>	<u>(147,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Current service cost	28,000	19,000
Net interest from net defined benefit asset/liability	<u>3,000</u>	<u>4,000</u>
	<u>31,000</u>	<u>23,000</u>
Actual return on plan assets	<u>(10,000)</u>	<u>12,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Defined benefit obligation	229,000	144,000
Current service cost	28,000	19,000
Contributions by scheme participants	5,000	4,000
Interest cost	5,000	6,000
Actuarial losses/(gains)	(16,000)	57,000
Benefits paid	<u>(1,000)</u>	<u>(1,000)</u>
	<u>250,000</u>	<u>229,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2017

**19. PENSION AND SIMILAR OBLIGATIONS**  
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Fair value of scheme assets	82,000	50,000
Contributions by employer	19,000	17,000
Contributions by scheme participants	5,000	4,000
Expected return	2,000	2,000
Actuarial gains/(losses)	(12,000)	10,000
Benefits paid	(1,000)	(1,000)
	<u>95,000</u>	<u>82,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Actuarial gains/(losses)	<u>4,000</u>	<u>(47,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Equities	82,000	68,000
Bonds - Other	5,000	5,000
Cash/liquidity	1,000	2,000
Property	4,000	4,000
Other	<u>3,000</u>	<u>3,000</u>
	<u>95,000</u>	<u>82,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.17	31.8.16
Discount rate	2.4%	2.1%
Future salary increases	3.7%	3.3%
Future pension increases	2.2%	1.9%
Inflation assumption (CPI)	2.2%	1.8%

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

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males	22.3	23.5
Females	25.6	25.9
<b>Retiring in 20 years</b>		
Males	24.8	25.8
Females	27.9	28.2

**20. CONTINGENT LIABILITIES**

There are no significant contingent liabilities that the Governors are aware of.

**21. OTHER FINANCIAL COMMITMENTS**

At 31 August 2017 the academy was committed to pay £15,610 in relation to contracted repair works.

## 22. RELATED PARTY DISCLOSURES

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

Calon Solutions Ltd - a company which P Box and P Whitcombe (trustees of the academy) are joint directors and shareholders:

- During the year payments totalling £20,000 (2016: £25,000) were made to Calon Solutions Ltd in respect of the Executive Headship services.
- The service level agreement with Calon Solutions Ltd finished on 5 April 2017 on the introduction of IR35.
- There were no amounts outstanding at the year end (2016: £Nil)

Activate Educational Ltd - a company limited by guarantee which P Box and P Whitcombe (trustees of the academy) are directors:

- During the year payments totalling £194 (2016: £1,969) were made to Activate Educational Ltd for the provision of staff training
- During the year the academy received a refund of £375 (2016: £Nil) for Activate Educational Ltd in relation to an ended subscription.
- There were no amounts outstanding at the year end (2016: £Nil)

The Hereford Marches Federation of Academies - an academy which P Box and P Whitcombe are Governors

- During the year income of £Nil (2016: £18) was received from The Hereford Marches Federation of Academies
- During the year expenditure of £8,504 (2016: £14,679) was paid to The Hereford Marches Federation of Academies, this related to recharge of expenditure all in the course of normal business
- At the year end £1,328 were due to The Hereford Marches Federation of Academies (2016: £105)

HMFA Enterprises Ltd - a subsidiary company of The Hereford Marches Federation of Academies

- During the year income of £Nil (2016: £1,500) was received from HMFA Enterprises Ltd in relation to teaching training placement income received directly to HMFA Enterprises Ltd.
- There were no amounts outstanding at the year end (2016: £Nil)

P Whitcombe - trustee of the academy and executive head

- From 6 April 2017, Llangrove C E Academy entered a service level agreement with Peter Whitcombe (the executive head).
- During the year gross fee of £4,000 plus £379 employer national insurance (2016: £Nil) was paid in relation to the executive head service.
- There were no amounts outstanding at the year end (2016: £Nil)

S Morehead - company secretary of the academy

- During the year S Morehead invoiced the academy for £852 (2016: 284) in relation to providing the company secretary service.
- Gross fees of £416.66 were also paid to S Morehead through IR35 in relation to a health and safety service level agreement.
- There were no amounts outstanding at the year end (2016: £Nil)

Transactions with other federation academies:

		Income	Expenditure
Canon Pyon CE Academy	P Box is Executive Headteacher	£10,707 (2016: £18)	£48 (2016: £32)
Marden Primary Academy	Headteacher M Newton's partner is P Box	£10,707 (2016: £18)	£Nil (2016: £Nil)
Kings Capse Academy	P Box is Headteacher	£10,707 (2016: £18)	£Nil (2016: £65)
Sutton Primary Academy	P Box is Headteacher	£Nil (2016: £18)	£88 (2016: £Nil)
St Leonards Primary School	M Newton is Executive Headteacher	£10,785 (2016: £68)	£11,742 (2016: £12,020)

All of the above transaction were made in the normal course of business, £15,616 was due to the academy at the year end (2016: £Nil).