

Burnt Ash Primary School

(A company limited by guarantee)

Directors' Report and Financial Statements

For the Year Ended 31 August 2018



Burnt Ash Primary School
(A company limited by guarantee)

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Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2018

Members	B. Danahay D. Gnanapragasam A. Junaid R. Lockyer C. Hollis
Trustees	R. Lockyer, Chair of Trustees ¹ B. Danahay ¹ N. Doran (appointed 11 December 2018) D. Gnanapragasam, Chair of Finance ¹ C. Hollis, Vice Chair of Trustees A. Junaid ¹ S. Matthews ¹ L. Crawley, Headteacher and Accounting Officer ¹ E. East, Staff Trustee (resigned 19 September 2018) L. Spencer, Staff Trustee (appointed 11 December 2018) ¹ Member of Finance Committee
Company registered number	09896945
Company name	Burnt Ash Primary School
Principal and registered office	Rangefield Road Bromley Kent BR1 4QX
Senior management team	L. Crawley, Headteacher and Accounting Officer T. Dinnage, Deputy Headteacher E. East, Assistant Head (appointed 1 September 2017) A. Wilson, Chief Finance Officer (resigned 2 November 2018) K. Phillips, School and Office Manager (appointed 1 September 2017)
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants Statutory Auditors Thames House Roman Square Sittingbourne Kent ME10 4BJ
Bankers	Lloyds Bank plc 6-8 Market Square Bromley Kent BR1 1NA
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ

Burnt Ash Primary School
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Trustees' report
For the year ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's reports of the academy trust for the year from 1 September 2017 through to 31 August 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Burnt Ash Primary School are also the directors for the purposes of company law. The academy trust is known as Burnt Ash Primary School.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the academy trust 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.

Trustees' indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 12 to the financial statements.

Principal activities

The academy trust took over the operation of Burnt Ash Primary School on the school's conversion to academy status on 1 February 2016. Since then the academy trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 3 and 11.

Method of recruitment and appointment or election of trustees

Under the terms of its articles, the academy trust shall have the following trustees:

- Those skilled in educational matters especially relating to finance and legal.
- Those committed to providing quality educational opportunities for all stakeholders.
- Those committed and dedicated to the core purpose of the academy trust and following all charitable and financial procedures.

Policies and procedures adopted for the induction and training of trustees

During the period under review the full board met 4 times and there were 2 committee meetings. The training and induction provided for new trustees depends on their previous experience. All trustees have the opportunity to visit the school regularly to undertake learning walks and to help them develop a deeper understanding of the ethos and policies of the school. All trustees have access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. All trustees have access to a full programme of courses which they will choose to attend, based on their role and experience.

Organisational structure

The organisational structure consists of three levels: the trustees, the senior leadership team and the extended leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The senior leadership team comprises the Headteacher, Deputy Headteacher and Assistant Headteacher. These managers control the academy trust at an executive level implementing the policies laid down by the trustees and report back to them.

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Trustees' report (continued)
For the period ended 31 August 2018

As a group the senior leadership team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the senior leadership team always contain a trustee. Some spending control is devolved to members of the extended leadership team, with limits above which a member of the senior leadership team must countersign.

The extended leadership team includes phase leaders, core curriculum leaders and CFO/School Manager. Along with the senior leadership team these managers are responsible for the day to day operation of the academy trust, in particular organising the teaching staff, facilities and pupils.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Headteacher and following guidance from the relevant professional pay review bodies. Naturally the Headteacher was not involved in setting his/her own remuneration package.

Only staff trustees, including the Headteacher, are remunerated, and these individuals are only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 11. Remuneration paid to the key management personnel, including the staff trustees, is disclosed in note 10.

The day to day running of the remuneration policy is delegated to the Headteacher and monitored by the finance committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed regularly by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual is remuneration at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bears in mind the charitable status of the academy trust and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds an reasonable amount that provide value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Risk management

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected organisations, including related party relationships

The academy trust is a member of an umbrella trust called Ignite Education Trust ("IGNITE"), a limited by guarantee company (registered number 09749664). IGNITE was established with other local academy trusts to provide a mechanism of school to school support and guidance in leadership and enhancing outcomes for stakeholders across the trust. This doesn't impact on operating policies as each school that is part of the group is a stand-alone academy. The Headteachers of the member academies, including Burnt Ash's Headteacher Mrs. Crawley, are all directors of the IGNITE board.

We have RAG rated procedures and systems in place in order to best support the schools in maintaining outstanding standards. Burnt Ash Primary Academy has an active PTA (Parents and Teachers Association), The Friends of Burnt Ash (FOBA), who support the academy trust in its delivery in educational experiences and resources. They liaise directly with the Headteacher on all matters of spending and support.

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Trustees' report (continued)
For the period ended 31 August 2018

OBJECTIVES AND ACTIVITIES

Vision and values

The trustees worked closely with the senior leaders and staff to develop the vision for the school, which underpins all decisions made by the board.

An excellent education to enable all children to achieve, flourish and succeed through:

- A high expectation for all children to achieve their potential through a rich, inspiring curriculum.
- Empowering children to take ownership of their learning by building independence and resilience.
- Working in partnership with parents and with a strong network of schools to build and develop the highest standards of teaching and learning.
- Providing a safe, secure and supportive environment in which all children and adults are valued and respected, and develop a strong sense of self-worth.
- A caring and inclusive school that engages families and the community and celebrates its diversity of cultures and religions.
- Giving children the confidence and desire to make a meaningful contribution to the wider world and develop a strong sense of social responsibility.

Objectives, strategies and activities

- To ensure that standards of attainment remain high in all areas and for all children.
- To ensure that the progress of all groups remains consistently high.
- To ensure 100% of teaching remains good or better and that the majority of teaching is outstanding or moving toward outstanding.
- To ensure all levels of leadership play an integral part in school improvement.
- To ensure that governance plays a strategic role in school improvement.
- To maintain, and increase areas of excellence across the school. At present Early Years, the Deployment and Development of Leadership and Narrowing the Gap for All Pupils have been formally recognised by Challenge Partners.
- To provide high quality nursery provision for local children.

Public benefit

Burnt Ash Primary is an academy catering for children aged 3 to 11 and strives to promote and support the advancement of education within the local area and beyond. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our pupils, staff and community both academically and personally. Some of the activities the school has been involved in include;

- Volunteering at the Local Community Gardens
- Visiting and arranging concerts for a local home for the elderly
- Collections for local foodbanks
- Local sports clubs providing specialist sports teaching and learning
- Participation in the London Youth Games
- Local sports alliances for inter school competitions
- Initial teacher training in conjunction with Bromley Schools Collegiate
- Provide training for newly qualified teachers from approximately 10 local schools
- Supporting local adults in NVQ 2 and 3 placements on site
- Member of Challenge Partners supporting the development of schools nationally
- Strategic Partner to both local Teaching Schools – Warren Road and Eyela- developing support and training for schools
- Founding member of Ignite Academy Trust – a group of local schools with a focus on school improvement
- Working in collaboration with the Children Centre on site to support local families
- Provide specialist provision for twenty local children with severe and complex needs.
- Involvement in Getting Ahead London to support the development of future London head teachers.
- Schools for Success accreditation supporting London schools improve outcomes for disadvantaged pupils.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the academy trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

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Trustees' report (continued)
For the period ended 31 August 2018

STRATEGIC REPORT

Achievements and performance

The school has again attained results which demonstrate high standards and expectations.

End of Keystage 2 Data 2018

The result below were attained by children who reached the end of KS2 in July 2018. There were 59 pupils in this cohort.

Attainment by Subject	School attained expected standard	National expected standard	School attained greater depth	National greater depth	School average scaled score	National average scaled score
Reading	92%	75%	41%	28%	108	105
Writing	92%	78%	32%	20%		
Spelling and grammar	90%	78%	29%	34%	107	106
Maths	93%	76%	36%	24%	107	104

Attainment all subjects	Attained expected standard	National data
Expected standard (reading, writing and maths)	81%	64%

Disadvantaged pupils

Within the cohort 58% of pupils were identified as Disadvantaged Pupils, with the school receiving additional funding through Pupil Premium to support their learning.

Attainment by subject	School attained expected standard	National expected standard – all pupils	School attained greater depth	National greater depth – all pupils	School average scaled score	National data average scaled score - all pupils
Reading	85%	75%	29%	28%	107	105
Writing	88%	78%	15%	20%		
Spelling and grammar	85%	78%	21%	34%	105	106
Maths	88%	76%	21%	24%	106	104

Attainment all subjects	School attained expected standard	National data - all pupils
Expected standard (reading, writing and maths)	71%	64%

Going concern

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

Key financial performance indicators

The trustees consider that the following are key performance indicators for the academy trust:

- Pupils numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from EFA spent on total staff costs;
- Income per pupil;
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Capital expenditure per pupil;
- Reception pupil intake; and
- Nursery numbers and waiting lists

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the year.

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Trustees' report (continued)
For the period ended 31 August 2018

Financial review

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA and other Government sources during the year ended 31 August 2018, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

Total incoming resources for the year were £3.3m. This has been sufficient to cover total expenditure for the period of £3.08m.

Net incoming resources is £221k per the Statement of Financial Activities, however this is after £94k of non-cash and non-actuarial pension charges in relation to movement in the LGPS liability; these are included in the costs of charitable activities. The net result is also after a depreciation charge of £80k; this is a further non-cash movement which writes off the cost of capitalised assets, and notably the school buildings, over their useful lives.

The result on general revenue funds before transfers, which excludes income and expenditure related to the fixed asset and pension reserves, is a surplus for the period of £73k. There have then been transfers from revenue to capital of £103k to leave an in-year deficit on revenue funds of £30k.

The Statement of Financial Activities also shows a significant £246k actuarial gain on defined benefit schemes, which relates to the remaining movement in the period on the LGPS liability. During the period the deficit decreased from £584k to £432k. This actuarial gain is an accounting adjustment to estimate, as a point in time, the potential pension scheme liabilities. This year the actuary who has calculated the movement in the deficit has advised that academies, in general, have seen their deficits decrease considerably due to improved pension asset returns and some changes in the financial assumptions used, mainly an increase in the discount rate.

At 31 August 2018, the net book value of fixed assets was £4.98m and movements in intangible and tangible fixed assets are shown in notes 13 and 14 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academy trust.

Financial position

The academy trust held fund balances at 31 August 2018 of £5.2m. These funds included restricted fixed asset funds of £5.05m, restricted revenue funds of £162k and unrestricted revenue funds of £464k.

There is one fund showing a deficit position at the year end. The pension reserve shows a deficit of £432k. The substantial decrease in this deficit during the year has been explained in the financial review above. This deficit does not mean that an immediate liability crystallises. The accounting deficit has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's payroll cost, approximately £180k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

Investment policy

The academy trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation.

In addition, the academy trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds.

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Trustees' report (continued)
For the period ended 31 August 2018

Financial and risk management objectives and policies

The academy trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the academy trust to a number of financial risks which are described in more detail below. The main risks arising from the trust's financial instruments are liquidity risk and cash flow interest rate risk.

- *Liquidity risk* - The academy trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.
- *Interest rate risk* - The academy trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the academy trust's assets.
- *Credit risk* – this arises from the possibility that amounts owed to the academy trust will not be repaid. The academy trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Principal risks and uncertainties

The main risks that the academy trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- *Operational and reputational* - this covers risks to the running of the academy trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- *Financial* - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.

The risks to which the academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

Fundraising

No fundraising activities are undertaken by the trust. All such activities are carried out by the PTA organisation, The Friends of Burnt Ash.

Disabled employees

The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment, by making support resources available.

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

PLANS FOR FUTURE PERIODS

Plans for the future include:-

- To ensure that standards of attainment remain high in all areas and for all children.
- To ensure that the progress of all groups remains consistently high.
- To increase the quality of teaching so that the majority of teaching is outstanding.
- Development of a robust succession planning to ensure the quality of future leadership.
- To maintain the maximum number of areas of excellence recognised via Challenge Partners. At present the three accredited areas are Early Years, Narrowing the Gap for All Pupils and the Deployment and Development of Senior Leadership.
- To continue to provide high quality nursery provision for local children.

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Trustees' report (continued)
For the period ended 31 August 2018

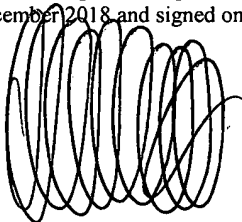
AUDITOR

In so far as the trustees are aware:


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

The academy trust wishes to continue to secure the services of UHY Hacker Young.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2018 and signed on the board's behalf by:

A stylized, circular signature consisting of many overlapping loops.

R. Lockyer, Chair of Trustees

A handwritten signature in cursive script, appearing to read 'L. Crawley'.

L. Crawley, Headteacher and Accounting Officer

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Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 4 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R. Lockyer, Chair of Trustees	4	4
B. Danahay	3	4
D. Gnanapragasam, Chair of Finance	2	4
C. Hollis, Vice Chair of Trustees	4	4
A. Junaid	4	4
S. Matthews	4	4
L. Crawley, Headteacher and Accounting Officer	4	4
E. East	4	4

Governance reviews: During 2017/2018 a review of the main board of trustees took place. Recruitment has proved difficult, however new trustees will be joining the board in 2018/2019. The board is looking to increase the number of trustees to aid the separation between members and trustees.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the committee's responsibilities is routine budget setting and monitoring.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
R. Lockyer, Chair of Trustees	2	3
D. Gnanapragasam, Chair of Finance	1	3
A. Junaid	3	3
S. Matthews	3	3
B. Danahay	0	1
L. Crawley, Headteacher and Accounting Officer	3	3

Review of Value for money

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

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

- Challenging budget holder to plan for expenditure, explain any changes to the plan and review the value of purchases.
- Benchmarking with other schools in the trust and locally for staff costs.
- A proactive approach to securing additional funding for SEND pupils and using bench marking to provide maximum levels of staffing to support identified children.
- Negotiating discounts/additional services for example learning sessions at the community garden, counselling services, residential trips and behaviour support.

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Governance Statement (continued)

- Full spend of the pupil premium funding reflected in outcomes for this group.
- The school runs a nursery, breakfast club and after school club which generate 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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Burnt Ash Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Liberata as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Liberata carried out 2 internal audit visits during the year which covered the periods 1 September 17 to 31 December 17, and 1 January 18 to 30 April 18 respectively.

In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems; and
- testing of income systems.

The internal auditors have completed all necessary scheduled audits and have raised minor issues around the timing of raising orders and completing business interest forms.

Review of Effectiveness

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

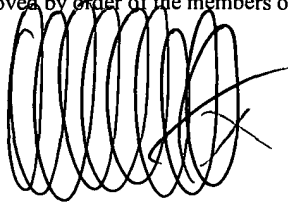
- the work of the internal auditor;
- the work of the external auditors; and
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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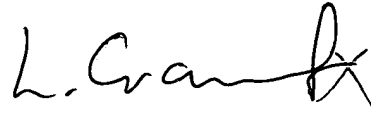
Governance Statement (continued)

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

Approved by order of the members of the board of trustees on 11 December 2018 and signed on their behalf, by:

A handwritten signature consisting of a series of overlapping loops, followed by a short horizontal stroke.

R. Lockyer
Chair of Trustees

A handwritten signature in cursive script, starting with a large 'L' and ending with a long horizontal stroke.

L. Crawley
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Burnt Ash Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



L. Crawley
Accounting Officer

Date: 11 December 2018

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Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

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

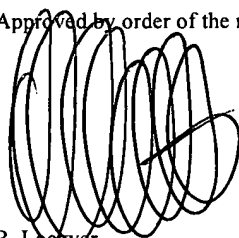
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



R. Lookyer
Chair of Trustees

Date: 11 December 2018

Burnt Ash Primary School
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Burnt Ash Primary School

Opinion

We have audited the financial statements of Burnt Ash Primary School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Burnt Ash Primary School
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Burnt Ash Primary School

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

UHY Kent LLP

Elizabeth Jordan BSc FCA (Senior statutory auditor)
for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

13 December 2018

Burnt Ash Primary School
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Burnt Ash Primary School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 March 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Burnt Ash Primary School during the year 1 September 2017 to 31 August 2018 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 Burnt Ash Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Burnt Ash Primary School 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 Burnt Ash Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Burnt Ash Primary School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Burnt Ash Primary School's funding agreement with the Secretary of State for Education dated 26 January 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Burnt Ash Primary School the period ended 31 August 2018 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Burnt Ash Primary School
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP

Reporting Accountants
Statutory Auditors

Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 13 December 2018

Burnt Ash Primary School
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	4,849	-	322,307	327,156	22,087
Charitable activities	5	129,150	2,817,157	-	2,946,307	2,852,527
Other trading activities	4	26,569	-	-	26,569	23,614
Investments	3	2,757	-	-	2,757	1,870
Total income		163,325	2,817,157	322,307	3,302,789	2,900,098
Expenditure on:						
Raising funds	4	20,789	-	-	20,789	5,999
Charitable activities		78,856	2,902,175	79,738	3,060,769	2,861,633
Total expenditure	6	99,645	2,902,175	79,738	3,081,558	2,867,632
Net income / (expenditure) before transfers		63,680	(85,018)	242,569	221,231	32,466
Transfers between Funds	18	(102,943)	-	102,943	-	-
Net income / (expenditure) before other recognised gains and losses		(39,263)	(85,018)	345,512	221,231	32,466
Actuarial gains on defined benefit pension schemes	22	-	246,000	-	246,000	289,000
Net movement in funds		(39,263)	160,982	345,512	467,231	321,466
Reconciliation of funds:						
Total funds brought forward		503,028	(430,222)	4,701,583	4,774,389	4,452,923
Total funds carried forward		463,765	(269,240)	5,047,095	5,241,620	4,774,389

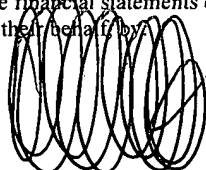
The notes on pages 21 to 38 form part of these financial statements.

Burnt Ash Primary School
(A company limited by guarantee)
Registered number: 09896945

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	13		2,288		4,119
Tangible assets	14		4,980,017		4,697,464
			<u>4,982,305</u>		<u>4,701,583</u>
Current assets					
Stocks	15	20,244		21,528	
Debtors	16	117,981		104,354	
Cash at bank and in hand		960,879		728,296	
			<u>1,099,104</u>	<u>854,178</u>	
Creditors: amounts falling due within one year	17	(407,789)		(197,372)	
Net current assets			<u>691,315</u>		<u>656,806</u>
Total assets less current liabilities			<u>5,673,620</u>		<u>5,358,389</u>
Defined benefit pension scheme liability	22		(432,000)		(584,000)
Net assets including pension scheme liabilities			<u><u>5,241,620</u></u>		<u><u>4,774,389</u></u>
Funds of the academy					
Restricted funds :					
Restricted income funds	18	162,760		153,778	
Restricted fixed asset funds	18	5,047,095		4,701,583	
			<u>5,209,855</u>	<u>4,855,361</u>	
Restricted income funds excluding pension liability					
Pension reserve		(432,000)		(584,000)	
			<u>4,777,855</u>		<u>4,271,361</u>
Total restricted funds					
Unrestricted income funds	18		463,765		503,028
Total funds			<u><u>5,241,620</u></u>		<u><u>4,774,389</u></u>

The financial statements on pages 18 to 38 were approved by the trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf by:



R. Lockyer
Chair of Trustees

The notes on pages 21 to 38 form part of these financial statements.

Burnt Ash Primary School
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	267,979	501,560
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,757	1,870
Purchase of fixed assets		(360,460)	(131,833)
Capital grants from DfE Group		322,307	8,714
Capital funding received from sponsors and others		-	8,975
Net cash used in investing activities		(35,396)	(112,274)
Change in cash and cash equivalents in the year		232,583	389,286
Cash and cash equivalents brought forward		728,296	339,010
Cash and cash equivalents carried forward	21	960,879	728,296

The notes on pages 21 to 38 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Fund accounting

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

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

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

1.4 Income

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

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

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

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

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

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

Burnt Ash Primary School
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.5 Expenditure

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

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

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

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	- 33.33% straight-line
Other intangible fixed assets	-

1.7 Tangible fixed assets and depreciation

Individual and groups of assets costing more than £2,500 and £5,000 respectively are capitalised. Group purchases are where the assets are purchased as part of one original purchase order.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- Over 125 year lease term
Furniture and fixtures	- 15% straight-line

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.13 Taxation

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

1. Accounting Policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Burnt Ash Primary School
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	4,849	-	-	4,849	4,398
Capital grants	-	-	322,307	322,307	17,689
	<u>4,849</u>	<u>-</u>	<u>322,307</u>	<u>327,156</u>	<u>22,087</u>
<i>Total 2017</i>	<u>4,398</u>	<u>-</u>	<u>17,689</u>	<u>22,087</u>	

3. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	2,757	-	2,757	1,870
	<u>2,757</u>	<u>-</u>	<u>2,757</u>	<u>1,870</u>
<i>Total 2017</i>	<u>1,870</u>	<u>-</u>	<u>1,870</u>	

4. Trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Hire of facilities	40	-	40	960
Sale of trading items	7,830	-	7,830	9,436
Other activities	18,699	-	18,699	13,218
	<u>26,569</u>	<u>-</u>	<u>26,569</u>	<u>23,614</u>
Trading expenses				
Clubs and uniform expenditure	20,789	-	20,789	5,999
	<u>20,789</u>	<u>-</u>	<u>20,789</u>	<u>5,999</u>
Net income from trading activities	<u>5,780</u>	<u>-</u>	<u>5,780</u>	<u>17,615</u>

In 2017, the total income from trading activities related to unrestricted funds.

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Notes to the Financial Statements
For the Year Ended 31 August 2018

5. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,149,569	2,149,569	2,138,753
Other DfE/ESFA grants	-	283,789	283,789	289,497
	-	2,433,358	2,433,358	2,428,250
Other government grants				
Local authority grants	-	215,778	215,778	208,615
Local authority nursery funding	-	152,490	152,490	91,804
	-	368,268	368,268	300,419
Other funding				
Breakfast and after school club	72,976	-	72,976	66,288
Catering	35,039	-	35,039	29,872
School trips	21,135	-	21,135	19,449
Nursery	-	15,531	15,531	7,050
Other	-	-	-	1,199
	129,150	15,531	144,681	123,858
	129,150	2,817,157	2,946,307	2,852,527
Total 2017	116,808	2,735,719	2,852,527	

6. Charitable expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	-	20,789	20,789	5,999
Support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	1,869,850	-	235,873	2,105,723	2,024,639
Support costs	386,688	269,233	299,125	955,046	836,994
	2,256,538	269,233	555,787	3,081,558	2,861,633
Total 2017	2,178,273	213,032	470,328	2,861,633	

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7. Analysis of expenditure by activities

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations	2,105,723	955,046	3,060,769	2,861,633
<i>Total 2017</i>	<i>2,045,803</i>	<i>815,830</i>	<i>2,861,633</i>	

Analysis of support costs

	Total 2018 £	Total 2017 £
Staff costs	386,687	341,900
Depreciation	79,738	41,605
Technology costs	19,578	20,930
Premises costs	241,662	196,919
Governance costs	13,660	13,029
Other support costs	213,721	201,447
	955,046	815,830
<i>At 31 August 2017</i>	<i>815,830</i>	

8. Expenditure - Analysis of specific expenses

	2018 £	2017 £
Unrecoverable debts - unrestricted funds	2,121	13,285

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	77,907	40,231
Amortisation of intangible fixed assets	1,831	1,373
Auditors' remuneration - audit	8,925	8,750
Auditors' remuneration - other services	2,050	1,780
Operating lease rentals	2,673	2,565

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10. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,721,134	1,659,892
Social security costs	135,599	127,670
Operating costs of defined benefit pension schemes	388,390	364,634
	<u>2,245,123</u>	<u>2,152,196</u>
Agency staff costs	9,915	12,077
Staff restructuring costs	1,500	14,000
	<u>2,256,538</u>	<u>2,178,273</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory non-contractual severance payment of £1,500.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	21	21
Management	5	3
Administration and support	73	71
	<u>99</u>	<u>95</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	20	21
Management	4	3
Administration and support	42	46
	<u>66</u>	<u>70</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	1	1
In the band £ 80,001 - £ 90,000	0	1
In the band £ 90,001 - £ 100,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £21,317 (2017 - £20,808).

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Notes to the Financial Statements
For the Year Ended 31 August 2018

10. Staff costs (continued)

e. Key management personnel

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 national insurance and pension contributions) received by key management personnel for their services to the academy trust was £353,590 (2017 - £331,512).

11. Trustees' remuneration and expenses

One or more trustees have been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
L. Crawley, Headteacher and Accounting Officer	Remuneration	95,000-100,000	85,000-90,000
	Pension contributions paid	10,000-15,000	10,000-15,000
E. East, Staff Trustee	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no trustees received any reimbursement of expenses (2017 - £Nil).

12. Trustees' and Officers' Insurance

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

13. Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2017 and 31 August 2018	5,492
Amortisation	
At 1 September 2017	1,373
Charge for the year	1,831
At 31 August 2018	3,204
Carrying amount	
At 31 August 2018	2,288
At 31 August 2017	4,119

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Notes to the Financial Statements
For the Year Ended 31 August 2018

14. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	4,598,500	60,046	100,179	4,758,725
Additions	321,092	(995)	40,363	360,460
At 31 August 2018	4,919,592	59,051	140,542	5,119,185
Depreciation				
At 1 September 2017	38,925	6,191	16,145	61,261
Charge for the year	27,571	8,858	41,478	77,907
At 31 August 2018	66,496	15,049	57,623	139,168
Net book value				
At 31 August 2018	4,853,096	44,002	82,919	4,980,017
At 31 August 2017	4,559,575	53,855	84,034	4,697,464

Included in land and buildings is leasehold land at valuation of £1,516,000 (2017 - £1,516,000) which is not depreciated.

15. Stocks

	2018 £	2017 £
Uniform	20,244	21,528

16. Debtors

	2018 £	2017 £
Trade debtors	3,764	2,759
VAT recoverable	15,532	14,353
Prepayments and accrued income	98,685	87,242
	117,981	104,354

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17. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Other taxation and social security	37,217	32,378
Other creditors	35,646	31,516
Accruals and deferred income	334,926	133,478
	<u>407,789</u>	<u>197,372</u>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	50,118	50,469
Resources deferred during the year	52,982	50,118
Amounts released from previous years	(50,118)	(50,469)
	<u>52,982</u>	<u>50,118</u>
Deferred income at 31 August 2018	<u>52,982</u>	<u>50,118</u>

The deferred income above comprises Universal Infant Free School Meal grant income, rates relief, breakfast and after school club funding and school trip income received in advance of the 2018/19 academic year.

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18. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General fund	503,028	163,325	(99,645)	(102,943)	-	463,765
Restricted funds						
General Annual Grant (GAG)	118,572	2,149,569	(2,212,318)	-	-	55,823
Other DfE/ESFA revenue grants	-	283,789	(273,093)	-	-	10,696
Other government grants	35,206	368,268	(307,233)	-	-	96,241
Other restricted	-	15,531	(15,531)	-	-	-
Pension reserve	(584,000)	-	(94,000)	-	246,000	(432,000)
	(430,222)	2,817,157	(2,902,175)	-	246,000	(269,240)
Restricted fixed asset funds						
Tangible fixed assets	4,701,583	-	(79,738)	360,460	-	4,982,305
DfE/ESFA capital grants	-	322,307	-	(257,517)	-	64,790
	4,701,583	322,307	(79,738)	102,943	-	5,047,095
Total restricted funds	4,271,361	3,139,464	(2,981,913)	102,943	246,000	4,777,855
Total of funds	4,774,389	3,302,789	(3,081,558)	-	246,000	5,241,620

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

General Annual Grant must be used for the normal running costs of the academy trust.

The other DfE/ESFA grants fund is used to track non GAG grants received from the ESFA, the DfE or executive agencies of the DfE, and includes Pupil Premium and Universal Infant Free School Meals grants and related expenditure.

The other government grants fund is used to track grants provided by other government departments.

The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charged that will be required on the projects going forward and the current fixed assets held. There has been a net transfer of £102,943 from revenue funds for fixed assets funded by unrestricted reserves.

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 2018.

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Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
Unrestricted funds						
General fund	460,160	146,690	(103,822)	-	-	503,028
Restricted funds						
General Annual Grant (GAG)	138,446	2,138,753	(2,044,735)	(113,892)	-	118,572
Other DfE/ESFA revenue grants	8,569	289,497	(298,066)	-	-	-
Other government grants	16,916	300,419	(286,354)	4,225	-	35,206
Other restricted	-	7,050	(7,050)	-	-	-
Pension reserve	(787,000)	-	(86,000)	-	289,000	(584,000)
	(623,069)	2,735,719	(2,722,205)	(109,667)	289,000	(430,222)
Restricted fixed asset funds						
Tangible fixed assets	4,611,354	-	(41,605)	131,834	-	4,701,583
DfE/ESFA capital grants	4,478	8,714	-	(13,192)	-	-
Local authority capital grants	-	8,975	-	(8,975)	-	-
	4,615,832	17,689	(41,605)	109,667	-	4,701,583
Total restricted funds	3,992,763	2,753,408	(2,763,810)	-	289,000	4,271,361
Total of funds	4,452,923	2,900,098	(2,867,632)	-	289,000	4,774,389

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	2,288	2,288
Tangible fixed assets	-	-	4,980,017	4,980,017
Current assets	463,765	570,549	64,790	1,099,104
Creditors due within one year	-	(407,789)	-	(407,789)
Provisions for liabilities and charges	-	(432,000)	-	(432,000)
	463,765	(269,240)	5,047,095	5,241,620

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Intangible fixed assets	-	-	4,119	4,119
Tangible fixed assets	-	-	4,697,464	4,697,464
Current assets	503,028	351,150	-	854,178
Creditors due within one year	-	(197,372)	-	(197,372)
Provisions for liabilities and charges	-	(584,000)	-	(584,000)
	<u>503,028</u>	<u>(430,222)</u>	<u>4,701,583</u>	<u>4,774,389</u>

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

	2018	2017
	£	£
Net income for the year (as per Statement of Financial Activities)	221,231	32,466
Adjustment for:		
Depreciation and amortisation charges	79,738	41,604
Dividends, interest and rents from investments	(2,757)	(1,870)
Decrease/(increase) in stocks	1,284	(9,642)
(Increase)/decrease in debtors	(13,627)	407,000
Increase/(decrease) in creditors	210,417	(36,309)
Capital grants from DfE and other capital income	(322,307)	(17,689)
Defined benefit pension scheme cost less contributions payable	82,000	69,000
Defined benefit pension scheme finance cost	12,000	17,000
Net cash provided by operating activities	<u>267,979</u>	<u>501,560</u>

21. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	960,879	728,296
	<u>960,879</u>	<u>728,296</u>

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22. Pension commitments

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

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

Contributions amounting to £35,755 were payable to the schemes at 31 August 2018 (2017 - £31,771) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

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 September 2019. The government has warned of a rise in the employer rate, but has also indicated that any rise will be funded until March 2020 and will be thereafter reviewed.

The employer's pension costs paid to TPS in the period amounted to £129,000 (2017 - £130,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £203,000 (2017 - £183,000), of which employer's contributions totalled £163,000 (2017 - £148,000) and employees' contributions totalled £40,000 (2017 - £35,000). The agreed contribution rates for future years

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22. Pension commitments (continued)

are 23.3% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.90 %	2.50 %
Rate of increase in salaries	3.70 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %

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

	2018	2017
Retiring today		
Males	23.4	23.3
Females	26.1	26.0
Retiring in 20 years		
Males	26.1	25.9
Females	28.4	28.3

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	48,000	44,000
Mortality assumption - 1 year increase	(30,000)	(27,000)
CPI rate +0.1%	(50,000)	(46,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	846,000	769,000
Gilts	82,000	-
Corporate bonds	82,000	141,000
Debt instruments	-	-
Property	43,000	-
Cash and other liquid assets	-	14,000
Other	248,000	84,000
Total market value of assets	1,301,000	1,008,000

The actual return on scheme assets was £96,000 (2017 - £105,000).

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22. Pension commitments (continued)

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

	2018 £	2017 £
Current service cost	(240,000)	(213,000)
Interest income	28,000	13,000
Interest cost	(40,000)	(30,000)
Admin expenses	(5,000)	(2,000)
Total	(257,000)	(232,000)

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

	2018 £	2017 £
Opening defined benefit obligation	1,592,000	1,284,000
Current service cost	240,000	213,000
Interest cost	40,000	30,000
Employee contributions	40,000	35,000
Actuarial (gains)/losses	(178,000)	30,000
Benefits paid	(1,000)	-
Closing defined benefit obligation	1,733,000	1,592,000

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

	2018 £	2017 £
Opening fair value of scheme assets	1,008,000	497,000
Interest income	28,000	13,000
Actuarial gains	68,000	319,000
Employer contributions	163,000	148,000
Employee contributions	40,000	35,000
Benefits paid	(1,000)	-
Administration expenses	(5,000)	(4,000)
Closing fair value of scheme assets	1,301,000	1,008,000

23. Operating lease commitments

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	2,037	2,594
Between 1 and 5 years	1,323	2,671
Total	3,360	5,265

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24. 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.

25. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period:

Expenditure related party transactions

Mrs. L. Crawley, the Accounting Officer and a trustee, is a director of B4Schools Limited, a company limited by guarantee (registered number 10039594). The company provides teaching and non-teaching support services for the benefit of its member schools. During the year, the academy trust paid £1,000 (2017 - £1,250) to B4Schools Limited.

Mr. R. Lockyer, the Chair of Trustees, is a director of Jariram Limited. The company provides educational coaching services. During the year the academy trust paid £220 (2017 - £240) to Jariram Limited in reimbursement of costs incurred for catering and resources provided during a course for which no charge was made.

Miss. E. Tregent, the granddaughter of Mrs. L. Crawley, the Accounting Officer and a trustee, worked at the school during the year, and was paid a wage, under a casual contract of employment, for her role. Mrs. L. Crawley had no involvement in the appointment of Miss. E. Tregent and the trustees are comfortable that Miss. E. Tregent's wage provides value for money and is not at a preferential rate.

Miss. N. Evans, the niece of Mrs. T. Dinnage, a member of the Senior Management Team, worked at Burnt Ash Primary School during the year and was paid a salary, under an employment contract, for her role. Mrs. T. Dinnage had no involvement in the appointment of Miss. N. Evans and the trustees are comfortable that Miss. N. Evans' salary provides value for money and is not at a preferential rate.

Mrs. L. Morgan, the sister of Mrs. T. Dinnage, a member of the Senior Management Team, worked as Burnt Ash Primary School during the year and was paid a salary, under a casual contract of employment, for her role. Mrs. T. Dinnage had no involvement in the appointment of Mrs. L. Morgan and the trustees are comfortable that Mrs. L. Morgan's salary provides value for money and is not at a preferential rate.

Miss. H. Wilson, the daughter of Mrs. A. Wilson, a member of the Senior Management Team, worked at Burnt Ash Primary School during the year and was paid a salary, under an employment contract, for her role. Mrs. A. Wilson had no involvement in the appointment of Miss. H. Wilson and the trustees are comfortable that Miss. H. Wilson's salary provides value for money and is not at a preferential rate.

Income related party transaction

The academy trust is a member of Ignite Education Trust ("IGNITE"), a company limited by guarantee (registered number 09749664). IGNITE was established with other local academy trusts to provide a mechanism of school to school support and guidance in leadership and enhancing outcomes for stakeholders across the trust. This doesn't impact on operating policies as each school which is a member of IGNITE is a stand-alone academy. The headteachers of the member academies, including Burnt Ash Primary School's headteacher Mrs. L. Crawley, are all directors of the IGNITE board. Mr. R. Lockyer, the Chair of Trustees is also a director of the IGNITE board. During the year Burnt Ash Primary School received £944 of income from IGNITE, as a reimbursement of expenditure incurred providing refreshments for training courses held at the school. At the year end a balance of £249 was outstanding.

26. Controlling party

The academy trust is run by the Senior Management Team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.