

**Wentworth Primary  
School**

**Annual Report and Financial  
Statements**

31 August 2018

Company Limited by Guarantee  
Registration Number  
07899198 (England and Wales)

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## Reference and administrative information

**Members**  
Mr Russell Ketley  
Mrs Yvette Knight  
Mr Giles Swan  
Mrs Janis Western

**Governors**  
Mrs Valerie Churchill (Chair)  
Mr Ben Archibald  
Mr Peter Goodsell  
Ms Caroline Gormley  
Mr Paul Langridge  
Mr Anthony Mayzes  
Mr Lewis Pollock  
Dr Jeffrey Quaye  
Mrs Kirsty Randall  
Mr Giles Swan

### Senior Leadership Team

Headteacher	Mr Paul Langridge
Deputy Headteacher	Mr Lewis Pollock
Assistant Headteacher	Mrs Kirsty Randall
Assistant Headteacher	Mrs Claire Davies
Assistant Headteacher	Mrs Tracey Reilly

**Registered address**  
Wentworth Drive  
Dartford  
Kent  
DA1 3NG

**Company registration number**  
07899198 (England and Wales)

**Auditor**  
Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers**  
Lloyds Bank plc  
4-6 High Street  
Dartford  
Kent  
DA1 1BY

## Reference and administrative information

<b>Solicitors</b>	Veale Wasborough Vizards Barnards Inn 86 Fetter Lane London EC4A 1AD
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## **Governors' report** Year ended 31 August 2018

The Governors of Wentworth Primary School ('the School') present their statutory report together with the financial statements of the charitable company for the year ended 31 August 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 35 of the attached financial statements and comply with the School's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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

#### **Constitution**

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

The Governors act as trustees for the charitable activities of Wentworth Primary School and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the year, except as noted, are included on page 4.

#### **Members' liability**

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

#### **Governors' indemnities**

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £10,000,000 any one loss and any one membership year through the Risk Protection Arrangement with the DfE.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Governors**

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and the trustees for the purposes of Charity Law. The following governors were in office at 31 August 2018 and served throughout the year except where shown.

<b>Governor</b>	<b>Appointed/Resigned</b>	
Mrs Valerie Churchill		Governor
Mr Ben Archibald		Governor
Mr Peter Goodsell*		Governor
Ms Caroline Gormley		Parent Governor
Mr Paul Langridge		Ex—Officio Governor
Mr Anthony Mayzes*		Parent Governor
Mr Lewis Pollock	Appointed 6 October 2017	Staff Governor
Dr Jeffrey Quaye		Governor
Mrs Kirsty Randall		Staff Governor
Mr Giles Swan*		Member and Parent Governor

\* Member of the Finance and Premises Committee

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

Following a skills audit among existing Governors, recruitment is aimed at bridging skills gaps. Staff and Parent Governors are appointed following a long established election process.

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

Newly appointed Governors are invited to attend induction training, attend a meeting with the Chair or Vice Chair of the Governors, are provided with a Governor's Folder and are also encouraged to meet the Headteacher at their first school visit. Governors are encouraged to attend as many committee meetings as possible before selecting those best suited to their skill set. As part of the clerking service contract, Governors are entitled to attend training sessions to enhance their understanding of the work of the board of Governors. In addition, governors attend appropriate training sessions delivered in School.

**Organisational structure**

The Governors determine the general policies of the School. The day to day running of the School is delegated to the Headteacher, supported by the Senior Leadership Team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The day to day administration is undertaken within the policies and procedures approved by the Governors. Only significant expenditure decisions and major capital projects should be referred to the Governors for prior approval.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Organisational structure** (continued)

The Headteacher is an ex-officio Governor and Principal Accounting Officer and attends all Governing Body meetings. Other staff and the School Business Manager are invited to attend Governors' meetings as appropriate.

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

The pay range for the Headteacher was set with the support of Schools Personnel service by Governors on appointment. The range for the current Deputy Headteacher had been set by Governors historically and the range for Assistant Headteachers was set by the Governing Body on their appointment. The Headteacher's performance is reviewed annually by a sub-committee of Governors supported by an accredited external advisor. The Deputy Headteacher has their performance reviewed by the Head Teacher and the Assistant Headteachers by the Headteacher and Deputy Headteacher. The appraisal cycle is further quality assured by a committee of Governors.

### **Trade union facility time**

The school did not employ any relevant trade union officials during the year.

### **Connected organisations, including related party relationships**

Wentworth Primary School is a 'stand alone' Academy. As a member of the Dartford Schools Consortium knowledge and good practice are shared with colleagues in other local primary schools.

## **OBJECTIVES AND ACTIVITIES**

### **Principal activities**

The School's objects are specifically restricted to the following:

- ◆ to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

### **Objects and aims**

Wentworth Primary School is now an established primary academy with a richly deserved reputation for the well-roundedness of our children when they make the transition to secondary school. At each stage from Early Years through to the end of Key Stage Two children are nurtured, stretched and challenged to achieve their best with a sense of self-worth and resilience that encourages aspiration.

**OBJECTIVES AND ACTIVITIES** (continued)

**Objectives, strategies and activities**

As an Academy the values we share promote the development of children, staff and Governors and, with the support of parents, underpin the academic attainment and achievements of children and the well being of the whole community.

We want every child and where appropriate, every member of the Academy community to be a:

- ◆ Successful learner, who enjoys and achieves;
- ◆ Confident learner, able to make good life-style and appropriate moral choices; and
- ◆ Responsible citizen, who cares for others – locally, nationally and globally.

This means we seek to:

- ◆ Value every individual, acknowledge their uniqueness, their different skills and attributes;
- ◆ Work with every child and their family to ensure that learning needs are met and that they achieve the highest standards possible;
- ◆ Provide wide-ranging opportunities to support every child's all-round personal development including their spiritual, moral, social and cultural development; and
- ◆ Encourage every individual to have high aspirations, recognising their own potential and support others in achieving theirs.

Therefore, we will:

- ◆ Respect everyone as a unique member part of our diverse school community where we promote life choices which support the health and well-being of the individual;
- ◆ Provide a safe and secure environment for our pupils and staff. This will include fostering respect for self, other children and adults and the world around us;
- ◆ Provide wide-ranging academic and personal development opportunities that encourage each child to enjoy and achieve and be their best;
- ◆ Develop skills, attributes and capacities that help pupils and staff recognise their rights and responsibilities as younger members of society (within the school, locally, nationally and globally) and help them to act upon those rights and responsibilities and so make a positive contribution to the lives of others;
- ◆ Provide opportunities for pupils to develop high aspirations and make informed decisions and life choices; and



## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objectives, strategies and activities** (continued)

- ◆ In support of this we provide a balanced and broad based curriculum that prepares our pupils for the opportunities, responsibilities and experiences ahead of them.

We want our children to be and become:

- ◆ Confident and independent in learning and in life;
- ◆ Positive in their attitudes to learning;
- ◆ Respect members of the community – being respected and gaining respect; and
- ◆ The Wentworth Deal encompasses the aims and objectives within a pupil charter.

### **Equal opportunities policy**

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

### **Accessibility**

Ramps and accessible toilet facilities are installed to enable all building users to access all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making resources available and through training and career development.

The curriculum we provide places the child at its centre. We draw on educational theory, process and practice which is embedded in the ideology of how children learn. The Teacher provides experiences and opportunities that motivate and stimulate learning. We develop young enquirers who are inquisitive about how, why, where or what the world is about.

The Teacher is the facilitator, the child actively involves him, or herself in the process of learning and the School provides the resources and environment acting as a third teacher.

### **Public Benefit**

In setting the School's objectives and planning its activities, the Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**OBJECTIVES AND ACTIVITIES** (continued)

**Achievements and performance**

***Review of activities***

The School is pleased with the progress being made by its pupils but recognises there is no room for complacency. The KS2 combined score for Reading, Writing and Maths at expected level was 68%, 4% above National. At higher level results were 7% above National.

All results at KS1 and KS2 were above National at expected and higher standard in Reading, Writing and Maths. Of particular note is the writing result at KS2 with 88% of children being at expected plus following a full county moderation, this is 10% above National.

In November 2017 the School was inspected by OFSTED and judged as Good. Verbal feedback stated we were strongly Good and rapidly moving to Outstanding.

The parent view survey showed significant improvement in all performance indicators from the inspection in 2013.

Our Maths curriculum continues to develop, following "White Rose" planning and drawing on resources from Inspire Maths and Maths, No Problem to support a concrete, pictorial, abstract approach. The Accelerated Reading Programme has been rejuvenated in KS2 and the PIXL process continues to be effective in raising the progress and attainment of Year 6 pupils.

The change in Maths planning to "White Rose" along with resources from both Inspire Maths and Maths, No Problem has led to improved results in KS1 Maths at expected and greater depth.

The Accelerated Reading programme continues to be successful in raising results across KS2. Once again, many reluctant readers have become engaged with the reading process. This has been further supported with the refurbishment of the reading zones in KS2 into themed areas.

We have continued with our PIXL partnership providing focused support in Years 5 and 6.

A significant investment has been made in I.T. resources throughout the School ensuring that our IT suite remains fully functional. In addition, every classroom is now fitted with a "Clevartouch" screen providing a fully interactive educational experience. Further enhancement is evident through the increased number of iPads available in every classroom to support cross-curricular work.

**OBJECTIVES AND ACTIVITIES** (continued)

**Achievements and performance** (continued)

***Review of activities*** (continued)

The installation of an eight piece urban gym has proved extremely popular with the children and has provided a sustainable resource to support P.E., Games and extended curriculum activities.

The School continues to be oversubscribed with 560 children on roll.

The School has successfully expanded with a PAN of 90 in Foundation Stage, Year 1 and Year 2.

The extended curriculum continues to grow with 29 different activities available for the children to engage with. These are provided by every member of teaching staff as well as outside providers.

Our sports teams continue to be successful with teams competing in all district sports events.

The use of our Sports Premium funding to install an urban gym has proved very popular and a sustainable resource for future sporting generations.

Our music curriculum has further developed with all Year 4 children learning the violin through the "Red Rooster" project, funded by an ex-pupil Mick Jagger. In addition, children have the opportunity to perform at two School music events during the year, this provides a forum for all choir members and instrumentalists to perform to their parents. The choir performing at the Young Voices concert at the O2 remains the highlight of the year.

The School council continues to positively represent the views of the children. They appreciate the financial support they are provided by the PTA to fund their projects.

Our involvement with the North West Kent Schools Teaching Alliance (NWKSTA) and Kent and Medway Training has continued to flourish. We have now successfully trained three teachers who have taken up positions within the School. We have employed a further former trainee as a teacher and have a further trainee in situ. This approach has ensured we do not suffer the same recruitment problems experienced by so many other schools.

In addition, our links with the NWKSTA has enabled us to access a range of CPD with our secondary colleagues.

Governors are grateful to Kent County Council for the development of the new classroom block that has enabled the School to take in additional children eventually increasing to three forms of entry throughout the School. The new block was opened by a former student, Adam Gemili and this proved to be an exciting and inspirational day for all children. For them to see a 'Wentworth pupil' not only aspire to greatness but succeed through hard work, resilience and determination still resonates through the School as children develop their own growth mind set.

**OBJECTIVES AND ACTIVITIES** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

This year has been successful due to the commitment and dedication of staff and governors working in partnership with the parent body.

**Key financial performance indicators**

The main financial performance indicator is the level of reserves held at the balance sheet.

As funding is based on pupil numbers this is also a key performance indicator. The School continues to be oversubscribed and it is anticipated that this trend will be maintained.

The School always applies the principles of best value. The School uses DFE Financial Benchmarking as an indication of how well we are performing against other similar schools.

We are confident that our performance in financial management is in line or better than the national norm.

**STRATEGIC REPORT**

**Going concern**

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

**Financial review**

**Financial report for the year**

The School's total income for the year ended 31 August 2018 amounted to £2,276,021 (2017 - £3,830,751), including £2,030,938 (2017 - £1,943,026) related to ESFA revenue grants and £10,019 (2017 - £150,450) related to ESFA capital grants.

The School held fund balances of £4,690,669 (2017 - £4,677,308) at 31 August 2018 which includes a surplus on unrestricted funds of £66,252 (2017 – £67,255) and restricted funds of £4,624,417 (2017 - £4,610,053).

The results for the year are shown on page 26.

## **STRATEGIC REPORT**

### **Financial review** (continued)

#### ***Reserves policy***

The Governors believe that the minimum level of reserves to be held by the School should be £30,000, in order to provide sufficient working capital to cover delays between spending and receipts of grants and to provide resources to deal with unexpected emergencies such as urgent maintenance. The School's current level of free reserves is in surplus at £66,242 (2017 – surplus of £67,255) and there is a surplus on ESFA restricted income funds of £233,830 (2017 – surplus of £241,870).

The pension reserve, which represents the School's share of the Local Government Pension Scheme's (LGPS) assets and liabilities, is in deficit at £766,000 (2017 — £860,000) at 31 August 2018. The deficit is not expected to crystallise in the near future and any cash outflows arising from the deficit will occur over a number of years.

#### ***Investment policy***

The Governors have reviewed the feasibility of having an investment policy which would enable the School to make use of surplus funds, whilst maintaining adequate account balances to meet cash flow fluctuations.

Any change in policy requires the approval of Governors.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

The School's principal risks have been identified and there is a risk register in place to mitigate these risks. The key risks assessed and the action taken to mitigate them are as follows:

- ◆ Financial risk, including the risk arising from fluctuations in Government funding and the risk of cost increases arising from costs outside our direct control – eg pensions and escalation of pay awards. This is mitigated through the Chair of Finance and Headteacher reviewing budget returns on a monthly basis alongside an officer from Schools Financial Services. Any potential issues are dealt with through careful financial planning.
- ◆ Health and safety of students, staff and visitors. This is mitigated through an updated Health and Safety policy and ensuring all current requirements are in place and monitored by the Health and safety Governor, School Business Manager and Site Manager.

### **FUNDRAISING**

The School complies with the fundraising practices outlined within the Charities (Protection and Social Investment) Act 2016. The School conforms to standards of best practice.

The School does not work with any commercial participators or professional fundraisers. We have raised charitable donations for Cancer Research UK and Children in Need.

There have been no fundraising complaints this financial year.

### **PLANS FOR FUTURE PERIODS**

- ◆ To implement a foundation subject curriculum based on experimental learning.
- ◆ To extend the range of IT support available to ensure effective IT utilisation.
- ◆ To further develop our assessment of foundation subjects.
- ◆ To install an immersion room to develop the sporting opportunities for pupils with SEND that impacts on their co-ordination and motor skills.
- ◆ To extend range of violin lessons to whole year group.
- ◆ To ensure provision is appropriate to secure the emotional and mental wellbeing of children and adults within the School.
- ◆ To continue to extend and develop our Growth Mindset approach to teaching and learning.
- ◆ To achieve Sportsmark.
- ◆ To achieve Osiris SEND award.
- ◆ To continue to develop our Japanese curriculum for Year 6 pupils.
- ◆ To continue to grow our own staff through the training of KMT trainees.
- ◆ To develop SLT capacity to undertake a coaching and mentoring approach in developing and sharing good practice.

## **Governors' report** Year ended 31 August 2018

### **AUDITOR**

In so far as the Governors are aware:

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

Approved by order of the members of the Governing Body on \_\_\_\_\_ and  
signed on its behalf by:

Chair of Governors

Date:

## Governance statement 31 August 2018

### Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Wentworth 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 Governing Body have delegated the day—to—day responsibility to Paul Langridge, 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 the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Governing Body has formally met four times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Number of meetings attended</b>	<b>Out of a possible</b>
B Archibald	4	4
V Churchill	4	4
P Goodsell	3	4
C Gormley	3	4
P Langridge	4	4
A Mayzes	3	4
L Pollock	4	4
Dr J Quaye	4	4
Mrs K Randall	4	4
G Swan	4	4
L Pollock	4	4

The Governors acknowledge that they have responsibility to ensure that Wentworth Primary School has effective controls in place, both financial and otherwise. With this aim in mind, we have maintained the Responsible Officer support role and a professional review is undertaken three times a year. In addition, Governors have considered the risks to the organisation and have developed a risk register to acknowledge risks to the organisation and to manage or mitigate them.

### *The Finance and Premises Committee*

The Finance and Premises Committee is a sub-committee of the main Governing Body. Its purpose is to review, approve and monitor budgets for the School and to undertake benchmarking against similar establishments.



**Governance** (continued)

***The Finance and Premises Committee*** (continued)

Attendance at Finance and Premises Committee meetings in the year was as follows:

<b>Governor</b>	<b>Number of meetings attended</b>	<b>Out of a possible</b>
L Pollock	3	3
V Churchill	3	3
P Goodsell	3	3
P Langridge	3	3
T Mayzes	2	3
G Swan	3	3

***Governance reviews***

The Governing Body has been stable now for the last three years. Our four Trustees have also remained stable as outlined in the Articles of Association.

With the stability of our Governing Board and no apparent lack of skills, we have not felt the need to undertake a skills audit at this time. The Governors' Handbook is updated annually.

The termly Governors Day in School continues to be a successful way of engaging in School life each term. The children are pleased to see us and proud to show us their achievements. The Ofsted Inspection challenged the School to more systematically address the broader curriculum and this had been undertaken with zeal. The creativity of Wentworth children, so ably supported by their teachers, knows no bounds. Wentworth Primary School children are Achieving Happily and every child is provided with the support and guidance to unlock their potential.

***Review of value for money***

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

The accounting officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use on benchmarking data where available. The accounting officer for the academy trust has delivered and improved value for money and use of its resources in several ways:

**Governance** (continued)

***Review of value for money*** (continued)

- ◆ The School continues to seek best value in terms of cost, quality and sustainability to support the practice of effective financial management of funds.
- ◆ Sports funding was utilised for the creation of an outdoor gym to further enhance the P.E. curriculum and also encourage further activity at playtimes.
- ◆ Following effective procurement the Cleaning Contract was awarded to a new supplier for the next three years.
- ◆ The School secured best value for the installation of Clevertouch screens installed in all of the classrooms.
- ◆ The School's HR and Payroll service level agreement was re-evaluated. The School awarded the contract to the Local Authority HR/Payroll service which will provide greater overall benefit in terms of price and performance.
- ◆ The catering contract was reviewed and extended until July 2020.
- ◆ The School renegotiated terms for the telephone contract, which resulted in lower charges for the next 2 years.
- ◆ Service Level Agreements have been reviewed prior to renewal and are all now systematically evaluated. This allowed the School the opportunity to seek best value and make changes, sometimes resulting in reduced costs.

**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 the School's 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 at the School for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed a Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis, the RO reports to the Governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The external auditor has undertaken a review of key controls and reported on the operation of these. The findings from the visits resulted in some recommendations being made but none which were deemed to be significant, and are being actioned.

**Review of effectiveness**

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

- ◆ the work of the responsible officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**Governance statement** 31 August 2018

**Review of effectiveness** (continued)

Approved by order of the Governing Body and signed on their behalf by:

Chair of Governors

Approved on:

Headteacher and Accounting Officer

**Statement on regularity, propriety and compliance 31 August 2018**

As accounting officer of Wentworth Primary School, I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 Governing Body 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 Governing Body and ESFA.

Headteacher and Accounting Officer

Date:

## Statement of Governors' responsibilities 31 August 2018

The Governors (who act as trustees of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 Governors on \_\_\_\_\_ and  
signed on its behalf by:

Chair of Governors

Date:

**Independent auditor's report to the members of Wentworth Primary School**

**Opinion**

We have audited the financial statements of Wentworth Primary School (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- ◆ the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**Conclusions relating to going concern** (continued)

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

**Other information**

The governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

**Opinions 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 governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report including the strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or



**Matters on which we are required to report by exception** (continued)

- ◆ the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the governors' report and from the requirement to prepare a strategic report.

**Responsibilities of governors**

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

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

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

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

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

**Use of our report**

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

Avnish Savjani (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

## **Independent reporting accountant's report on regularity 31 August 2018**

### **Independent reporting accountant's assurance report on regularity to Wentworth Primary School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and 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 Wentworth Primary School during the period from 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 Wentworth 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 Wentworth 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 Wentworth Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Wentworth Primary School's accounting officer and the reporting accountant**

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

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

### **Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 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.

## **Independent reporting accountant's report on regularity 31 August 2018**

### **Approach** (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the School'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.

### **Conclusion**

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

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Statement of financial activities** Year ended 31 August 2018 (incorporating the income and expenditure account)

		Restricted funds			<b>2018 Total funds £'000</b>	2017 Total funds £'000
		Unrestricted general funds £'000	General funds £'000	Fixed assets funds £'000		
<b>Income from:</b>						
Donations and capital grants	1	5,679	—	21,019	<b>26,698</b>	1,708,233
Charitable activities						
. Funding for the School's educational operations	2	17,465	2,141,181	—	<b>2,158,646</b>	2,025,687
Other trading activities	3	90,457	—	—	<b>90,457</b>	96,576
Investments	4	220	—	—	<b>220</b>	255
<b>Total income</b>		<b>113,821</b>	<b>2,141,181</b>	<b>21,019</b>	<b>2,276,021</b>	<b>3,830,751</b>
<b>Expenditure on:</b>						
Charitable activities						
. School's educational operations		101,350	2,225,991	141,319	<b>2,468,660</b>	2,292,107
<b>Total expenditure</b>	5	<b>101,350</b>	<b>2,225,991</b>	<b>141,319</b>	<b>2,468,660</b>	<b>2,292,107</b>
<b>Net income (expenditure) before transfer between funds</b>						
		12,471	(84,810)	(120,300)	<b>(192,639)</b>	1,538,644
Transfers between funds	17	(13,474)	(35,230)	48,704	<b>—</b>	<b>—</b>
<b>Net income (expenditure)</b>		<b>(1,003)</b>	<b>(120,040)</b>	<b>(71,596)</b>	<b>(192,639)</b>	<b>1,538,644</b>
<b>Other recognised gains and losses</b>						
Actuarial gain on defined benefit pension scheme	20	—	206,000	—	<b>206,000</b>	304,000
<b>Net movement in funds</b>		<b>(1,003)</b>	<b>85,960</b>	<b>(71,596)</b>	<b>13,361</b>	<b>1,842,644</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2017		67,255	(618,130)	5,228,183	<b>4,677,308</b>	2,834,664
<b>Fund balances carried forward at 31 August 2018</b>		<b>66,252</b>	<b>(532,170)</b>	<b>5,156,587</b>	<b>4,690,669</b>	<b>4,677,308</b>

All of the School's activities derive from continuing operations in the above two financial periods.

## Balance Sheet As at 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible fixed assets	11		5,261,232		5,327,226
<b>Current assets</b>					
Debtors	12	80,514		43,658	
Cash at bank and in hand		326,634		415,961	
		<u>407,148</u>		<u>459,619</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(127,996)		(144,892)	
<b>Net current assets</b>			<u>279,152</u>		<u>314,727</u>
<b>Total assets less current liabilities</b>					
			5,540,384		5,641,953
Creditors: amounts falling due after more than one year	14		(83,715)		(104,645)
<b>Net assets excluding pension scheme liability</b>			<u>5,456,669</u>		<u>5,537,308</u>
Pension scheme liability	20		(766,000)		(860,000)
<b>Total net assets</b>			<u>4,690,669</u>		<u>4,677,308</u>
<b>Restricted funds</b>					
Fixed assets fund	16		5,156,587		5,228,183
Restricted income fund	16		233,830		241,870
Pension reserve	16		(766,000)		(860,000)
<b>Total restricted funds</b>			<u>4,624,417</u>		<u>4,610,053</u>
<b>Unrestricted income funds</b>					
General fund	16		66,252		67,255
<b>Total funds</b>			<u>4,690,669</u>		<u>4,677,308</u>

The financial statements on page 26 to 49 were approved by the Governors, and authorised for issue on \_\_\_\_\_ and are signed on their behalf by:

Chair of Governors

Wentworth Primary School  
 Company Limited by Guarantee  
 Registration Number: 07899198 (England and Wales)

## Statement of cash flows Year ended 31 August 2018

		2018 £	2017 £
<b>Net cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	A	(14,312)	162,181
<b>Cash flows from investing activities</b>			
	B	(54,086)	39,978
<b>Cash flows from financing activities</b>			
	C	(20,929)	(32,050)
<b>Change in cash and cash equivalents in the year</b>		<b>(89,327)</b>	<b>170,109</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2017		415,961	245,852
<b>Cash and cash equivalents at 31 August 2018</b>	<b>D</b>	<b>326,634</b>	<b>415,961</b>

### A Reconciliation of net (expenditure) income to net cash flow from operating activities

		2018 £	2017 £
<b>Net (expenditure) income for the year (as per the statement of financial activities)</b>		<b>(192,639)</b>	<b>1,538,644</b>
<b>Adjusted for:</b>			
Depreciation (note 11)		141,319	86,931
Capital grants from DfE and other capital income		(21,019)	(1,700,212)
Interest receivable (note 4)		(220)	(255)
Defined benefit pension scheme cost less contributions payable (note 20)		91,000	89,000
Defined benefit pension scheme finance cost (note 20)		21,000	23,000
(Increase) decrease in debtors		(36,856)	72,050
(Decrease) increase in creditors		(16,897)	53,023
<b>Net cash (used in) provided by operating activities</b>		<b>(14,312)</b>	<b>162,181</b>

### B Cash flows from investing activities

		2018 £	2017 £
Dividends, interest and rents from investments		220	255
Purchase of tangible fixed assets		(75,325)	(1,660,489)
Capital grants from DfE/ESFA/Surrey Council		21,019	1,700,212
<b>Net cash (used in) provided by investing activities</b>		<b>(54,086)</b>	<b>39,978</b>

## Statement of cash flows Year ended 31 August 2018

### C Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	<b>(20,929)</b>	(32,050)
<b>Net cash used in financing activities</b>	<b>(20,929)</b>	(32,050)

### D Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<b>326,634</b>	415,961
<b>Total cash and cash equivalents</b>	<b>326,634</b>	415,961

## **Principal accounting policies 31 August 2018**

### **Statement of accounting policies**

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

### **Basis of preparation**

The financial statements of the School, 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.

Wentworth Primary School meets the definition of a public benefit entity under FRS 102.

### **Going concern**

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

### **Income**

All income is recognised when the School has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

### **Grants**

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

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



## Principal accounting policies 31 August 2018

### **Income** (continued)

#### **Grants** (continued)

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**

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

#### **Other income**

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

#### **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.

#### **Charitable activities**

These are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the School.

All resources expended are stated net of recoverable VAT.

### **Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

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

Leasehold buildings	2% per annum
IT equipment	33% per annum
Fixtures, fittings and equipment	20% per annum

Depreciation is charged from the month of acquisition.

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.

### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School 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.

### **Leased assets**

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

### **Financial instruments**

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

**Financial instruments** (continued)

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Taxation**

The School 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 School 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.

**Pensions benefits**

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

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

**Pensions benefits** (continued)

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 is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Kent County Council.

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

The School 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.

**Critical accounting estimates and areas of judgement** (continued)

***Critical accounting estimates and assumptions*** (continued)

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

Estimates of the useful economic life of tangible fixed assets for the purposes of calculating depreciation are as described in the accounting policy for tangible fixed assets above.

Notes to the Financial Statements Year ended 31 August 2018

**1 Donations and capital grants**

	Unrestricted funds £	Restricted fixed assets funds £	2018 Total funds £	2017 Total funds £
Capital grants	—	10,019	<b>10,019</b>	150,450
Capital works funded by Local Authority	—	6,000	<b>6,000</b>	1,549,762
Other donations	5,679	5,000	<b>10,679</b>	8,021
	<b>5,679</b>	<b>21,019</b>	<b>26,698</b>	<b>1,708,233</b>

**2 Funding for the School's educational operations**

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	—	1,836,299	<b>1,836,299</b>	1,765,665
. Free school meals	—	88,274	<b>88,274</b>	83,904
. Other DfE/ESFA grants	—	106,365	<b>106,365</b>	93,457
	—	<b>2,030,938</b>	<b>2,030,938</b>	<b>1,943,026</b>
<b>Other Government grants</b>				
. Local Authority grants	—	110,243	<b>110,243</b>	81,672
	—	<b>110,243</b>	<b>110,243</b>	<b>81,672</b>
Other income from the academy trust's educational operations	17,465	—	<b>17,465</b>	989
	<b>17,465</b>	<b>2,141,181</b>	<b>2,158,646</b>	<b>2,025,687</b>

**3 Other trading activities**

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Hire of facilities/lettings income	5,571	—	<b>5,571</b>	8,023
Uniform and book sales	2,601	—	<b>2,601</b>	8,768
Catering income	44,482	—	<b>44,482</b>	43,902
Trip income	32,741	—	<b>32,741</b>	29,292
Miscellaneous income	5,062	—	<b>5,062</b>	6,591
	<b>90,457</b>	—	<b>90,457</b>	<b>96,576</b>

**4 Investments**

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Interest receivable	220	—	<b>220</b>	255

## Notes to the Financial Statements Year ended 31 August 2018

### 5 Expenditure

	Staff costs (note 8) £	Non pay expenditure		2018 Total funds £	2017 Total funds £
		Premises £	Other costs £		
School's educational operations					
. Direct costs	1,453,380	141,319	96,838	<b>1,691,537</b>	1,547,404
. Allocated support costs (note 6)	272,644	174,105	330,374	<b>777,123</b>	744,703
	<b>1,726,024</b>	<b>315,424</b>	<b>427,212</b>	<b>2,468,660</b>	<b>2,292,107</b>

	2018 Total funds £	2017 Total funds £
<b>Net income (expenditure) for the year includes:</b>		
Operating lease payments	<b>281</b>	562
Depreciation	<b>141,319</b>	86,931
Fees payable to auditor		
. Audit	<b>7,175</b>	7,000
. Other services	<b>7,655</b>	5,050

### 6 Support costs

	2018 Total funds £	2017 Total funds £
Support staff costs	<b>272,644</b>	252,113
Technology costs	<b>39,106</b>	30,779
Premises costs	<b>174,105</b>	180,772
Catering contract	<b>134,363</b>	123,512
School trips	<b>23,755</b>	19,776
Other support costs	<b>94,151</b>	93,617
Governance costs	<b>39,001</b>	44,134
<b>Total support costs</b>	<b>777,123</b>	<b>744,703</b>

## Notes to the Financial Statements Year ended 31 August 2018

### 7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

		Restricted funds		2017 Total funds £'000	
		Unrestricted general funds £'000	General funds £'000		Fixed assets funds £'000
<b>Income from:</b>					
Donations and capital grants	1	8,021	—	1,700,212	<b>1,708,233</b>
Charitable activities					
. Funding for the School's educational operations	2	989	2,024,698	—	<b>2,025,687</b>
Other trading activities	3	96,576	—	—	<b>96,576</b>
Investments	4	255	—	—	<b>255</b>
<b>Total income</b>		<b>105,841</b>	<b>2,024,698</b>	<b>1,700,212</b>	<b>3,830,751</b>
<b>Expenditure on:</b>					
Charitable activities					
. School's educational operations		143,288	2,061,887	86,932	<b>2,292,107</b>
<b>Total expenditure</b>	5	<b>143,288</b>	<b>2,061,887</b>	<b>86,932</b>	<b>2,292,107</b>
<b>Net (expenditure) income before transfer between funds</b>		<b>(37,447)</b>	<b>(37,189)</b>	<b>1,613,280</b>	<b>1,538,644</b>
Transfers between funds	17	—	(7,739)	7,739	—
<b>Net (expenditure) income</b>		<b>(37,447)</b>	<b>(44,928)</b>	<b>1,621,019</b>	<b>1,538,644</b>
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension scheme	20	—	304,000	—	<b>304,000</b>
<b>Net movement in funds</b>		<b>(37,447)</b>	<b>259,072</b>	<b>1,621,019</b>	<b>1,842,644</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 September 2016		104,702	(877,202)	3,607,164	<b>2,834,664</b>
<b>Fund balances carried forward at 31 August 2017</b>		<b>67,255</b>	<b>(618,130)</b>	<b>5,228,183</b>	<b>4,677,308</b>

### 8 Staff

#### a) Staff costs

Staff costs during the year were:

	2018 Total funds £	2017 Total funds £
Wages and salaries	<b>1,224,551</b>	1,199,816
Social security costs	<b>98,675</b>	99,346
Pension costs	<b>299,230</b>	291,383
	<b>1,622,456</b>	1,590,545
Supply staff costs	<b>103,568</b>	18,115
	<b>1,726,024</b>	1,608,660



## Notes to the Financial Statements Year ended 31 August 2018

### 8 Staff (continued)

#### b) Staff numbers

The average number of persons (including the senior management team) employed by the School during the year ended 31 August 2018 (on a headcount basis) was as follows:

<b>Charitable activities</b>	<b>2018 No.</b>	<b>2017 No.</b>
Teachers	20	19
Administration and support	41	41
Management	5	5
	<b>66</b>	<b>65</b>

#### c) Higher paid staff

The number of employees whose annualised emoluments fell within the following bands was:

	<b>2018 No</b>	<b>2017 No</b>
£70,001 - £80,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff amounted to £12,179 (2017 - £11,771).

#### d) Key management personnel

The key management personnel of the academy trust comprise the Governors and the Senior Leadership 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 School was £264,526 (2017 - £325,563).

**9 Related party transactions – Governors’ remuneration and expenses**

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the School in respect of their role as Governors. The value of Governors’ remuneration was as follows:

	<b>2018</b>	2017
	<b>£’000</b>	£’000
Mr Paul Langridge, Headteacher and trustee		
. Remuneration	<b>70 - 75</b>	70 - 75
. Employer’s pension contributions	<b>10 - 15</b>	10 - 15
Mr Lewis Pollock		
. Remuneration	<b>50 - 55</b>	–
. Employer’s pension contributions	<b>5 - 10</b>	–
Linda Riley, Staff governor and trustee		
. Remuneration	–	50 - 55
. Pension	–	5 - 10
Ms Kirsty Randall, staff trustee		
. Remuneration	<b>45 - 50</b>	45 - 50
. Employer’s pension contributions	<b>5 - 10</b>	5 - 10

In addition to the staff Governors noted above, one member of staff is married to a Governor of the School.

During the year ended 31 August 2018 no expenses were reimbursed to Governors (2017 – none).

Other related party transactions involving the Governors are set out in note 21.

**10 Governors’ and Officers’ insurance**

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

## Notes to the Financial Statements Year ended 31 August 2018

### 11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Total funds £
<b>Cost/valuation</b>				
At 1 September 2017	5,656,508	40,762		
Additions	—	24,645		
At 31 August 2018	5,656,508	65,407		
<b>Depreciation</b>				
At 1 September 2017	380,047	14,335		
Charge in year	113,130	8,435		
At 31 August 2018	493,177	22,770		
<b>Net book value</b>				
At 31 August 2018	5,163,331	42,637		
At 31 August 2017	5,276,461	26,427		

The School acquired the leasehold building upon conversion to Academy status on 1 February 2012. The lease is for a period of 125 years. A valuation took place on 31 August 2012 by Drivers Jonas Deloitte using the depreciated replacement cost method. The building has been included in the financial statements at this value. Title to the land at Wentworth Primary School is registered in the name of the School, but has not been included in the financial statements because the site is designated for educational purposes only and has no open market value.

### 12 Debtors

	2018 £	2017 £
VAT recoverable		
Other debtors		
Prepayments and accrued income		

### 13 Creditors: amounts falling due within one year

	2018 £	2017 £
Loans (note 15)	20,930	20,929
Other creditors	24	38,054
Accruals and deferred income	107,042	85,909
	<b>127,996</b>	144,892
<b>Deferred income</b>		
Deferred income at 1 September 2017	50,138	42,699
Released during the year	(50,138)	(42,699)
Resources deferred in the year	58,679	50,138
Deferred income at 31 August 2018	<b>58,679</b>	50,138

## Notes to the Financial Statements Year ended 31 August 2018

### 14 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Loans (note 15)	<b>83,715</b>	104,645

### 15 Loan commitments

The future obligations to which the School is committed are as follows:

	2018 £	2017 £
Salix loan repayable:		
. Within one year	<b>20,930</b>	20,929
. Between one and two years	<b>20,930</b>	20,930
. Between two and five years	<b>62,785</b>	62,790
. After more than five years	—	20,925
	<b>104,645</b>	125,574

The Salix loan which is unsecured, interest free and repayable twice yearly through a reduction in the academy's GAG funding ending on 1 March 2023 and is based on expectations of future energy and maintenance savings secured as a result of the capital investment.

16 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	241,870	1,836,299	(1,809,109)	(35,230)	<b>233,830</b>
. Free school meals	—	88,274	(88,274)	—	—
. Pupil Premium	—	106,365	(106,365)	—	—
. Pension reserve	(860,000)	—	(112,000)	206,000	<b>(766,000)</b>
	<u>(618,130)</u>	<u>2,030,938</u>	<u>(2,115,748)</u>	<u>170,770</u>	<u><b>(532,170)</b></u>
<b>Restricted fixed asset funds</b>					
. Academy building and furniture equipment	3,998,500	10,019	(108,080)	—	<b>3,900,439</b>
. DfE/ESFA capital grants	1,144,063	11,000	(30,924)	—	<b>1,124,139</b>
. Capital expenditure from GAG	85,620	—	(2,315)	48,704	<b>132,009</b>
	<u>5,228,183</u>	<u>21,019</u>	<u>(141,319)</u>	<u>48,704</u>	<u><b>5,156,587</b></u>
<b>Other restricted funds</b>					
. Local Authority grants	—	110,243	(110,243)	—	—
	<u>—</u>	<u>110,243</u>	<u>(110,243)</u>	<u>—</u>	<u>—</u>
<b>Total restricted funds</b>	<u>4,610,053</u>	<u>2,162,200</u>	<u>(2,367,310)</u>	<u>219,474</u>	<u><b>4,624,417</b></u>
<b>Unrestricted funds</b>					
. General funds	67,255	113,821	(101,350)	(13,474)	<b>66,252</b>
<b>Total unrestricted funds</b>	<u>67,255</u>	<u>113,821</u>	<u>(101,350)</u>	<u>(13,474)</u>	<u><b>66,252</b></u>
<b>Total funds</b>	<u>4,677,308</u>	<u>2,276,021</u>	<u>(2,468,660)</u>	<u>206,000</u>	<u><b>4,690,669</b></u>

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

**ESFA revenue grant fund and other restricted funds**

These grants relate to the academy trust's development and operational activities.

*General Annual Grant (GAG)*

This fund comprises the general annual grant received under the funding agreement with the Secretary of State, which is restricted for use in funding the School's educational operations.

**Fixed asset fund**

This fund represents the tangible fixed assets of the School including loans and unspent grants received to fund works of a capital nature.

## Notes to the Financial Statements Year ended 31 August 2018

### 16 Funds (continued)

#### **Pension reserve**

The pension reserve, a deficit of £766,000 (2017 - £860,000), relates to the School's share of the assets and liabilities of the Local Government Pension Scheme.

#### **Fund transfers**

Transfers of £48,704 from restricted general funds to restricted fixed asset funds represent capital expenditure funded via other reserve balances.

#### **Comparative information**

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	174,798	1,765,665	(1,690,854)	(7,739)	<b>241,870</b>
. Free school meals	—	83,904	(83,904)	—	—
. Pupil Premium	—	93,457	(93,457)	—	—
. Pension reserve	(1,052,000)	—	(112,000)	304,000	<b>(860,000)</b>
	<u>(877,202)</u>	<u>1,943,026</u>	<u>(1,980,215)</u>	<u>296,261</u>	<u><b>(618,130)</b></u>
<b>Restricted fixed asset funds</b>					
. Academy building and furniture equipment	2,509,209	1,549,762	(60,471)	—	<b>3,998,500</b>
. DfE/ESFA capital grants	1,010,221	150,450	(24,347)	7,739	<b>1,144,063</b>
. Capital expenditure from GAG	87,734	—	(2,114)	—	<b>85,620</b>
	<u>3,607,164</u>	<u>1,700,212</u>	<u>(86,932)</u>	<u>7,739</u>	<u><b>5,228,183</b></u>
<b>Other restricted funds</b>					
. Local Authority grants	—	81,672	(81,672)	—	—
	<u>—</u>	<u>81,672</u>	<u>(81,672)</u>	<u>—</u>	<u>—</u>
<b>Total restricted funds</b>	<u>2,729,962</u>	<u>3,724,910</u>	<u>(2,148,819)</u>	<u>304,000</u>	<u><b>4,610,053</b></u>
<b>Unrestricted funds</b>					
. General funds	104,702	105,841	(143,288)	—	<b>67,255</b>
<b>Total unrestricted funds</b>	<u>104,702</u>	<u>105,841</u>	<u>(143,288)</u>	<u>—</u>	<u><b>67,255</b></u>
<b>Total funds</b>	<u>2,834,664</u>	<u>3,830,751</u>	<u>(2,292,107)</u>	<u>304,000</u>	<u><b>4,677,308</b></u>

**17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total 2018 £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	—	—	5,261,232	<b>5,261,232</b>
Current assets	66,252	340,896	—	<b>407,148</b>
Current liabilities	—	(107,066)	(20,930)	<b>(127,996)</b>
Non-current liabilities	—	—	(83,715)	<b>(83,715)</b>
Pension scheme liability	—	(766,000)	—	<b>(766,000)</b>
<b>Total net assets (liabilities)</b>	<b>66,252</b>	<b>(532,170)</b>	<b>5,156,587</b>	<b>4,690,669</b>

**18 Commitments under operating leases**

**Operating leases**

At 31 August 2018, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2018 £	2017 £
Amounts due within one year	<b>1,647</b>	281
Amounts due between two and five years	—	—
	<b>1,647</b>	281

**19 Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the School 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.

**20 Pension and similar obligations**

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

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

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

## 20 Pension and similar obligations (continued)

### *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%.

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



**20 Pension and similar obligations** (continued)

**Teachers' Pension Scheme** (continued)

*Valuation of the Teachers' Pension Scheme (continued)*

The employer's pension costs paid to TPS in the period amounted to £126,000 (2017 - £128,000).

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

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

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £106,000, of which employer's contributions totalled £82,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 19.8% for employers and the employees rate is dependent on salary.

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.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2018</b>	At 31 August 2017
Rate of increase in salaries	<b>3.8%</b>	4.2%
Rate of increase for pensions in payment	<b>2.3%</b>	2.7%
Discount rate for scheme liabilities	<b>2.7%</b>	2.6%
Inflation assumption (CPI)	<b>2.3%</b>	2.7%
Commutation of pensions to lump sums	<b>50%</b>	50%

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

	<b>At 31 August 2018</b>	At 31 August 2017
<i>Retiring today</i>		
Males	<b>23.1</b>	23.0
Females	<b>25.2</b>	25.0
<i>Retiring in 20 years</i>		
Males	<b>25.3</b>	25.2
Females	<b>27.5</b>	27.4

**20 Pension and similar obligations** (continued)

**Local Government Pension Scheme (LGPS)** (continued)

*Sensitivity analysis*

The potential increase (decrease) in scheme liabilities as a result of changes in the principal assumptions are set out below:

	<b>At 31 August 2018 £'000</b>	At 31 August 2017 £'000
Discount rate + 0.1%	<b>(44)</b>	(40)
Discount rate – 0.1%	<b>45</b>	41
Long term salary increase +0.1%	<b>3</b>	5
Long term salary increase -0.1%	<b>(3)</b>	(5)
Pension Increase and deferred revaluation +0.1%	<b>43</b>	36
Pension Increase and deferred revaluation -0.1%	<b>(41)</b>	(35)
Life Expectancy assumption + 1 year	<b>69</b>	63
Life Expectancy assumption - 1 year	<b>(67)</b>	(61)

The Academy's share of the assets and liabilities in the scheme were:

	<b>Fair value at 31 August 2018 £'000</b>	Fair value at 31 August 2017 £'000
Equities	<b>819,000</b>	649,000
Gilts	<b>9,000</b>	6,000
Corporate bonds	<b>107,000</b>	89,000
Property	<b>149,000</b>	113,000
Cash and other liquid assets	<b>37,000</b>	29,000
Target return portfolio	<b>81,000</b>	35,000
<b>Total market value of assets</b>	<b>1,202,000</b>	921,000
<b>Present value of scheme liabilities</b>		
Funded	<b>(1,968,000)</b>	(1,781,000)
<b>Deficit in the scheme</b>	<b>(766,000)</b>	(860,000)

The actual return on scheme assets was £45,000 (2017: £68,000).

<b>Amounts recognised in statement of financial activities</b>	<b>2018 £'000</b>	2017 £'000
Current service cost	<b>173,000</b>	163,000
Interest cost	<b>21,000</b>	23,000
<b>Total amount recognised in the SOFA</b>	<b>194,000</b>	186,000

**20 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS) (continued)***

<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
At 1 September 2017	<b>1,781,000</b>	1,878,000
Current service cost	<b>173,000</b>	163,000
Interest cost	<b>48,000</b>	41,000
Employee contributions	<b>24,000</b>	21,000
Actuarial (gain)/loss	<b>(188,000)</b>	(254,000)
Benefits paid	<b>130,000</b>	(68,000)
<b>At 31 August 2018</b>	<b>1,968,000</b>	1,781,000

<b>Changes in the fair value of the Academy's share of scheme assets:</b>	<b>2018 £</b>	<b>2017 £</b>
At 1 September 2017	<b>921,000</b>	826,000
Interest income	<b>27,000</b>	18,000
Return on assets less interest	<b>18,000</b>	50,000
Employer contributions	<b>82,000</b>	74,000
Employee contributions	<b>24,000</b>	21,000
Benefits paid	<b>130,000</b>	(68,000)
<b>At 31 August 2018</b>	<b>1,202,000</b>	921,000

**21 Related party transactions**

Owing to the nature of the School's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.