

REGISTERED COMPANY NUMBER: 08738224 (England and Wales)

Report of the Governors and
Financial Statements for the Year Ended 31 August 2018
for

Mordiford Church of England Primary School

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

Mordiford Church of England Primary
School

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for the Year Ended 31 August 2018

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Mordiford Church of England Primary
School

Reference and Administrative Details
for the Year Ended 31 August 2018

MEMBERS

Mr D Watkins
Revd Dr C Moore (Diocese of Hereford Educational Trust)
Mrs K McEnery (appointed 3.1.18)
Mr J Bentley
Mr R Hill

GOVERNORS

Miss K Finney (Head Teacher & Accounting Officer)
Mrs K McEnery (appointed 3.1.18)
Revd Dr C Moore (Foundation Governor - Chair)
Mr E Sibcy
Ms A Leppert
Mrs B Oakley
Mrs L Hyde
Mrs J Drummond-Jones
Mrs C Harris
Mrs R Watts
Mrs M Gerring
Mr A Tanner
Mr C Judge

SENIOR MANAGEMENT TEAM

Miss K Finney	Head Teacher
R Foster	Deputy Head

COMPANY NAME

Mordiford Church of England
Primary School

REGISTERED OFFICE

Mordiford C of E Primary School
Hereford
Herefordshire
HR1 4LW

REGISTERED COMPANY NUMBER

08738224 (England and Wales)

SENIOR STATUTORY AUDITOR

K M Tong FCCA, ACA

AUDITORS

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

Mordiford Church of England Primary
School

Reference and Administrative Details
for the Year Ended 31 August 2018

SOLICITORS

Lanyon Bowler
32-35 Broad Street
Hereford
HR4 9AR

BANKERS

Lloyds Bank PLC
Business Banking
Service Centre
3rd Floor
10 Booth Street
Manchester
M2 4AW

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2018. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

The aims of the school during the year are summarised below:

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

We aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Our school continues to maintain, manage and celebrate our distinctive Christian character as a Church of England Academy, arranging religious education and daily acts of worship. Our school is a community in which children, staff, parents and governors should be part of a happy and caring environment.

Objectives, Strategies and Activities

- to strive to maintain our status as an outstanding school
- to continue to introduce new technology to inspire and support the children's learning across the curriculum and thus enhance their acquisition of key life skills
- to continue to foster strong links with the Rector and churches within our community and to engage fully with the Diocesan Board of Education to meet the spiritual needs of the children
- to develop the school grounds and Forest School site in order that the outdoor environment is a learning hub for all children

Public benefit

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

STRATEGIC REPORT

Achievement and performance

Achievements and performance

Mordiford C of E Primary School has been rated as an Ofsted Outstanding School since 2010 and strives to achieve the best possible academic success for all our pupils. Our most recent Church School SIAMS inspection in 2015 rated us as a Good school. The school receives an annual desk top review from OFSTED as well as the Local Authority.

Our academic results for 2017-2018 demonstrate that our pupils achieve consistently well at the end of each key stage.

The attainment of our youngest pupils in Reception is broadly in line with the national average with 69.2% of children achieving a good level of development at the end of the Early Years Foundation Stage, compared to the national figure of 71.5%.

At the end of Year One 81% of our pupils achieved the expected level in the Phonic Screen, which is in line with the national average of 81%.

Key Stage One data demonstrates that by the end of the key stage pupils in Year 2 are above national averages in reading and maths and broadly in line with national standards in writing 83%, 83% and 70.8% compared to 76%, 76% and 70.6% respectively. Their attainment in greater depth at age related expectations is above the national figures in all subjects: reading and writing and maths, 37%, 20% and 33% compared to 26%, 16% and 22% respectively.

Pleasingly, at Key Stage Two the attainment in all subject areas was above the national average at the expected standard. In reading 82% of children reached the expected standard compared to the national figure of 75%. In writing 82% of the children reached the expected standard compared to 78% nationally. In maths 91% of the cohort achieved the expected standard compared to 76% nationally. 86% of children achieved the expected standard in grammar, punctuation and spelling compared to 78% nationally. Children performing at greater depth were either statistically lower or broadly in line with national figures. With 23 % at the higher standard in reading, 18% in writing, 14% in maths and 32% in grammar, compared to national figures of 28%, 20%, 14% and 32% respectively. As a result increasing the proportion of children achieving greater depth at the end of key stage two is a whole school priority for the academic year 2018-2019. In the combined subjects of reading, writing and maths 73% of the cohort met age related expectations compared to 64% of children nationally. Those achieving greater depth in all three areas was above the national average at 14% compared to 10%.

Whole School attendance for the academic year was at 96.6 % and above the latest national average of 96%

Mordiford C of E Primary School is committed to Global Learning and is a British Council Erasmus+ Partnership School for 2017-2019. The school has active links with several schools on the continent and has taken children to visit Poland in May 2018, with a planned visit to Spain in November 2018. Mordiford will host staff and children from all the schools in May 2019.

Key financial performance indicators

These are covered throughout the Governors' Report.

Financial review

Investment policy and objectives

Any surplus cash is invested in a High Interest Account to make the most of the money, but so that it is still readily available.

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £138,805 (2017: £8,081), all of which is free reserves.

STRATEGIC REPORT

Financial review

Going concern

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

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

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2018, total expenditure of £582,238 (2017: £583,852) was covered by recurrent grant funding from the DfE. The net resources expended before transfers and revaluations for the year was a deficit of £32,426 (2017: £25,272 deficit).

At 31 August 2018, the net book value of fixed assets was £74,693 (2017: £81,451) and movements in tangible fixed assets are shown in fixed assets note to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Fundraising

There were no significant fundraising activities during the year.

Principal risks and uncertainties

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

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.
- Safeguarding risks resulting from the school being located on a busy road without a zebra crossing or safe drop off zone for parents in addition the school site is split by a public footpath.
- Under complying with legislative requirements: the school is bound by planning consent until 2022 to keep its overall capacity at 156 pupils on roll.

The key controls used by the Academy include:

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

Financial and risk management objectives and policies

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

STRATEGIC REPORT

Financial and risk management objectives and policies

Future plans

Mordiford CE Primary School will continue to strive to provide an outstanding education and exciting opportunities for all of its pupils. Full details of our plans for the future are given in our School Development Plan but key initiatives for 2018-2019 include:

Continuing to raise standards in writing across the school remains a development priority, with a particular focus upon enriching the children's vocabulary. We have targeted for our end of key stage results to be above the national figures both at the expected standard and at the higher standard. This will be achieved by continuing to raise the profile of writing across the school, engaging in high quality professional development and targeting intervention and support to those children who are at risk of falling behind. We will continue to develop our system of assessment, which will include working in collaboration with local partner schools in a series of staff meetings throughout the academic year.

It is our aim to increase the number of children working at a higher standard in reading, writing and maths across the school. This will be achieved by exploiting creative opportunities to challenge pupils and to promote resilient learning attitudes and independence. Staff training has been organised with Imagine for Schools, who will also carry out workshops with the children to develop resilience and growth mindset skills.

The school will also continue to work with, and develop relationships with both existing and new partner schools, in particular our International partnerships, to improve the educational opportunities for all.

The school has just appointed a firm of architects to develop a 10 year strategic plan for the development of the school buildings in order to provide outstanding learning environments throughout the school. Safeguarding issues such as inadequate parking, lack of safe drop off areas and the public footpath splitting the school site will also be addressed within the plan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Company was Incorporated on the 18th October 2013 and converted from a Local Authority School to an Academy Trust on the 1st December 2013.

The governors act as the trustees for the charitable activities of Mordiford C Of E Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Mordiford C Of E Primary School.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report..

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governors' Indemnities

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

The liability insurance is provided by Zurich.

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The members may appoint up to 3 Governors.

The members shall appoint 3 Foundation Governors through such process as they may determine.

The members may appoint up to 2 Staff Governors through such process as they may determine, provided that the number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one-third of the total number of Governors.

The Incumbent shall be treated for all purposes as ex-officio Foundation Governor. The Foundation members may appoint 2 additional Foundation Governors (one of whom shall be a person eligible for appointment as a parent governor) and any further number provided that the total number of Foundation Governors (including ex-officio Foundation Governors) would not thereby exceed 25% of the total number of Governors.

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

Any election of Parent Governors which is contested shall be held in secret ballot.

Organisational structure

The Senior Management Team are the Head teacher and Deputy Head. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts always contain a governor.

Policies and Procedures adopted for the induction and training of Governors

The Academy has a Governor Recruitment and Induction policy.

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

Mordiford Church of England Primary
School

Report of the Governors
for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The annual pay review for the Head teacher is conducted by the Finance and Resources committee of the Governing Body, following a performance management review by the designated Performance Management Review subcommittee, who are advised by our external School Improvement Partner Mrs Sarah Somers. The decisions of this group are reported to the full Governing Body for ratification. The Head teacher's salary scale is set between Leadership spine points 10 and 16.

The annual pay review for the Deputy Head teacher is conducted by the Head teacher following an annual performance review. The decisions are reported to the full Governing Body for ratification. The Deputy Head teacher's scale is set between Leadership spine points 1 and 5.

Connected Organisations, including Related Party Relationships

Mordiford C of E Primary School has a connection with the Diocese of Hereford.

During the academic year 2017-2018 Mordiford CE Primary School supported the work of the Community Larder, Royal British Legion Poppy Appeal, Sport in Schools, Rainforest Trust and Project Mala.


There are no related parties during this year or the previous year.

AUDITORS

Insofar as the governors are aware:

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

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on28/11/18..... and signed on its behalf by:

..........

Revd Dr C Moore - Foundation Governor - Chair

Mordiford Church of England Primary
School

Governance Statement
for the Year Ended 31 August 2018

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Mordiford Church of England 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 of loss.

The board of the governors 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 Mordiford Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 4 times during the period.

Attendance during the year at meetings of the board of governors was as follows:

Governor	Details	Meeting attendance	Out of a possible
C Moore	Chairman - Ex-officio/Foundation	3	4
K Finney	Head Teacher	4	4
J Drummond-Jones	Parent-Governor	1	2
L Hyde	Parent Governor	3	4
A Leppert	Parent Governor	2	4
C Harris	Community Governor	4	4
R Watts	Parent Governor	3	4
C Judge	Parent Governor	4	4
B Oakley	Staff Governor	3	4
M Gerring	Foundation Governor	4	4
E Sibcy	Staff Governor	4	4
A Tanner	Community Governor	4	4

Governance Review

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

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to, amongst others, scrutinise and monitor the budget and all financial risks to the Academy oversee performance management and staff pay; monitor capital expenditure; monitor all control systems and allocate resources. Any further details are to be found on the Terms of Reference for this committee.

Attendance during the year at meetings were as follows:

Governor	Details	Meeting attendance	Out of a possible
C Moore	Chairman - Ex-officio/Foundation	3	4
K Finney	Head Teacher	4	4
C Harris	Community Governor	3	4
A Leppert	Parent Governor	2	4
C Judge	Parent Governor	4	4
R Watts	Parent Governor	3	4
A Tanner	Community Governor	4	4

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 each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Rigorous and frequent monitoring of our services and contracts to assess if they need to be renegotiated; this process ensures the optimum mix of effectiveness and quality of provision for the best price. Regular savings are made through price comparison and include both the provision of services and supplies to the school.

Mordiford CE Primary School strives to provide an outstanding education and a broad, rich and exciting curriculum for our pupils. Staff training and development is planned to ensure that priorities on the School Development Plan can be targeted. Where possible, courses and professional development for staff is sought so that the effects of the training can impact at a whole school rather than individual level. A recent example is where a teacher visited Cardiff to attend high quality training in Peer Massage which has since been implemented across the school to very positive effect. Money was allocated in the academic year 2017-2018 to purchase a new handwriting programme which has proven to be very good value for money and, after embedding the new practice, handwriting presentation across the school has improved rapidly and was commented upon by our school improvement partner in a recent observation.

There have been refurbishments to the Year 1 and Year 2 classrooms which have improved the learning environments for our younger pupils. A new septic tank has also been installed which will improve efficiency.

Following consultation and research the school switched catering providers in summer 2018 in a bid to improve the lunchtime experience for children and provide a better value for money service for the school. This switch has resulted in an improved quality of food and a wider variety and healthiness of choices. Uptake has increased and cost to the school has decreased.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mordiford Church of England Primary School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 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 governors.

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance and General Purposes 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. The governors have not appointed a Responsible Officer specifically, as this function is covered by the regular Finance and Resources meetings where financial matters and consideration of the Academy Trust's financial systems are considered.

Review of Effectiveness

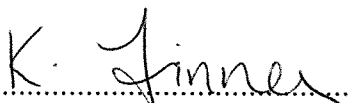
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources 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 28.11.18 and signed on its behalf by:


.....
Revd Dr C Moore - Foundation Governor - Chair


.....
Miss K Finney - Accounting Officer

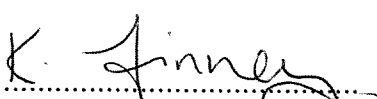
Mordiford Church of England Primary
School

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018

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

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


.....
Miss K Finney - Accounting Officer

Date: 28.11.18

Mordiford Church of England Primary
School

Statement of Governors Responsibilities
for the Year Ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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/DfE have been applied for the purposes intended.

In so far as the governors are aware:

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

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy's website.

Approved by order of the members of the board of trustees on25/11/18..... and signed on its behalf by:

.....
Governor

Report of the Independent Auditors to the Members of
Mordiford Church of England Primary
School

Opinion

We have audited the financial statements of Mordiford Church of England Primary School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

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;
- 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 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Report of the Independent Auditors to the Members of
Mordiford Church of England Primary
School

Matters on which we are required to report by exception

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

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

Responsibilities of governors

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

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


Our responsibilities for the audit of the financial statements

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

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

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 the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.


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

Date: 30/11/18

Note:

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

Independent Reporting Accountant's Assurance Report on Regularity to
Mordiford Church of England Primary
School and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mordiford Church of England Primary School during the period 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 Mordiford Church of England 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 Mordiford Church of England 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 Mordiford Church of England Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mordiford Church of England Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mordiford Church of England Primary School's funding agreement with the Secretary of State for Education 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 period 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.

The work undertaken to draw our conclusions includes:

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

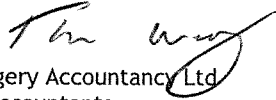
This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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

Independent Reporting Accountant's Assurance Report on Regularity to
Mordiford Church of England Primary
School and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



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

Date: 30/11/18

Mordiford Church of England Primary
School

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2018

					31.8.18	31.8.17
	Not es	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	77,439	33,028	110,467	44,429
Charitable activities						
Funding for the academy's educational operations	3	-	-	688,571	688,571	675,443
Other trading activities	4	1,205	-	44,849	46,054	23,715
Investment income	5	<u>126</u>	<u>-</u>	<u>3</u>	<u>129</u>	<u>132</u>
Total		1,331	77,439	766,451	845,221	743,719
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		<u>-</u>	<u>85,875</u>	<u>791,771</u>	<u>877,646</u>	<u>768,991</u>
NET INCOME/(EXPENDITURE)		1,331	(8,436)	(25,320)	(32,425)	(25,272)
Transfers between funds	18	<u>129,393</u>	<u>4,440</u>	<u>(133,833)</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>42,000</u>
Net movement in funds		130,724	(3,996)	(114,153)	12,575	16,728
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>8,081</u>	<u>81,450</u>	<u>(35,588)</u>	<u>53,943</u>	<u>37,215</u>
TOTAL FUNDS CARRIED FORWARD		<u>138,805</u>	<u>77,454</u>	<u>(149,741)</u>	<u>66,518</u>	<u>53,943</u>

The notes form part of these financial statements

Mordiford Church of England Primary
School

Balance Sheet
At 31 August 2018

	Notes	31.8.18 £	31.8.17 £
FIXED ASSETS			
Tangible assets	12	74,693	81,451
CURRENT ASSETS			
Debtors	13	57,863	45,474
Cash at bank and in hand		<u>184,941</u>	<u>194,167</u>
		242,804	239,641
CREDITORS			
Amounts falling due within one year	14	(44,979)	(39,149)
NET CURRENT ASSETS		<u>197,825</u>	<u>200,492</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		272,518	281,943
PENSION LIABILITY	19	(206,000)	(228,000)
NET ASSETS/(LIABILITIES)		<u>66,518</u>	<u>53,943</u>
FUNDS	18		
Unrestricted funds:			
Unrestricted fund		138,805	8,081
Restricted funds:			
General Annual Grant (GAG)		8,282	13,595
Restricted Pension Fund		(206,000)	(228,000)
Conversion and depreciation		1,725	2,625
Other Restricted		42,801	178,816
DfE/ESFA Capital Grants		6,809	2,013
Other DfE/ESFA Grants		5,176	-
Capital expenditure from GAG		63,422	69,812
Other Restricted Fund Assets		<u>5,498</u>	<u>7,001</u>
		(72,287)	45,862
TOTAL FUNDS		<u>66,518</u>	<u>53,943</u>

The notes form part of these financial statements

Mordiford Church of England Primary
School

Balance Sheet - continued
At 31 August 2018

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Board of Governors on
.....28/11/18..... and were signed on its behalf by:

..........
Revd Dr C Moore -Foundation Governor - Chair

Mordiford Church of England Primary
School

Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	31.8.18 £	31.8.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(82,354)</u>	<u>(67,667)</u>
Net cash provided by (used in) operating activities		<u>(82,354)</u>	<u>(67,667)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,440)	(1,680)
Capital grants from DfE/ESFA		77,439	5,755
Interest received		<u>129</u>	<u>132</u>
Net cash provided by (used in) investing activities		<u>73,128</u>	<u>4,207</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(9,226)	(63,460)
Cash and cash equivalents at the beginning of the reporting period		<u>194,167</u>	<u>257,627</u>
Cash and cash equivalents at the end of the reporting period		<u><u>184,941</u></u>	<u><u>194,167</u></u>

The notes form part of these financial statements

1.	RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.18	31.8.17
		£	£
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(32,425)	(25,272)
	Adjustments for:		
	Depreciation	11,197	11,784
	Capital grants from DfE/ESFA	(77,439)	(5,755)
	Interest received	(129)	(132)
	Increase in debtors	(12,388)	(21,446)
	Increase/(decrease) in creditors	5,830	(45,846)
	Difference between pension charge and cash contributions	<u>23,000</u>	<u>19,000</u>
	Net cash provided by (used in) operating activities	<u>(82,354)</u>	<u>(67,667)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

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 Academy Trust's depreciation policy.

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

Improvement to property	15 years straight line
Fixtures and fitting	15 - 20% per annum
Computer equipment	33 1/3% per annum

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

Due to revised guidance issued by the Education Skills Funding Agency (ESFA) and the Church of England Dioceses, the academy has decided that it is no longer appropriate to recognise the land and buildings on the balance sheet. The academy occupies the school site under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site. Alternative accounting treatment would be to include a notional donation for a rolling two year period, however this has not been included in the financial statements as the academy do not believe it is financial viable to derive this value. Further information on the prior year adjustment made can be found in note 11 to the financial statements.

Liabilities

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 are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased Assets

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

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in the notes to the accounts, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Grants and donations	-	6,469	6,469	-
Grants	-	77,439	77,439	5,755
School fund income	-	26,559	26,559	38,674
	<u>-</u>	<u>110,467</u>	<u>110,467</u>	<u>44,429</u>

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

	31.8.18 £	31.8.17 £
Capital Grant	<u>77,439</u>	<u>5,755</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	581,364	581,364	583,852
Other DfE/ESFA Grants	-	71,233	71,233	63,209
	-	652,597	652,597	647,061
Other government grant				
Other government grants	-	35,974	35,974	28,382
	<u>-</u>	<u>688,571</u>	<u>688,571</u>	<u>675,443</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Catering income	-	19,190	19,190	17,642
Income from other organisations	-	25,659	25,659	4,380
Letting income	1,205	-	1,205	1,693
	<u>1,205</u>	<u>44,849</u>	<u>46,054</u>	<u>23,715</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Deposit account interest	<u>126</u>	<u>3</u>	<u>129</u>	<u>132</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.18 Total £	31.8.17 Total £
Charitable activities					
Academies educational operations					
Direct costs	509,871	6,055	88,850	604,776	566,052
Allocated support costs	<u>79,467</u>	<u>96,846</u>	<u>96,557</u>	<u>272,870</u>	<u>202,939</u>
	<u>589,338</u>	<u>102,901</u>	<u>185,407</u>	<u>877,646</u>	<u>768,991</u>

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

	31.8.18 £	31.8.17 £
Auditors' remuneration	6,775	6,190
Other non-audit services	330	-
Depreciation - owned assets	11,198	11,784
Operating leases	<u>752</u>	<u>752</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.18 Total funds £	31.8.17 Total funds £
Direct costs	-	604,776	604,776	566,052
Support costs	<u>-</u>	<u>272,870</u>	<u>272,870</u>	<u>202,939</u>
	<u>-</u>	<u>877,646</u>	<u>877,646</u>	<u>768,991</u>

	31.8.18 Total £	31.8.17 Total £
Analysis of support costs		
Support staff costs	79,467	81,735
Depreciation	5,142	5,728
Administrative supplies	3,925	5,169
Premises costs	96,846	36,142
Other support costs	80,385	67,975
Governance costs	<u>7,105</u>	<u>6,190</u>
Total support costs	<u>272,870</u>	<u>202,939</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

8. GOVERNORS' REMUNERATION AND BENEFITS

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The Value of governors' remuneration was as follows:

			2018	2017
Miss K Finney Headteacher	Remuneration		£60,000 - £65,000	£60,000 - £65,000
	Employers Pension Contributions		£5,000 - £10,000	£5,000 - £10,000
Mr E Sibcy Staff Governor	Remuneration		£40,000 - £45,000	£40,000 - £45,000
	Employers Pension Contributions		£5,000 - £10,000	£5,000 - £10,000
Mrs B Oakley Staff Governor	Remuneration		£35,000 - £40,000	£35,000 - £40,000
	Employers Pension Contributions		£5,000 - £10,000	£5,000 - £10,000

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

Governors' expenses

During the period ended 31 August 2017, there were £Nil (2016 £Nil) expenses reimburse to the governors.

Other related party transactions involving the transactions involving the trustees are set out in the related party note in the accounts.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

9. STAFF COSTS

	31.8.18 £	31.8.17 £
Wages and salaries	463,960	436,752
Social security costs	37,316	34,350
Operating costs of defined benefit pension schemes	<u>83,302</u>	<u>77,246</u>
	584,578	548,348
Supply teacher costs	<u>4,760</u>	<u>8,077</u>
	<u>589,338</u>	<u>556,425</u>

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

	31.8.18	31.8.17
Teachers	6	6
Administration and support	15	16
Management	<u>2</u>	<u>2</u>
	<u>23</u>	<u>24</u>

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

	31.8.18	31.8.17
£60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £123,655 (2017: £113,766).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2018 is included in the total insurance premium of £4,817 (2017: £4,747).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	1	5,756	38,672	44,429
Charitable activities				
Funding for the academy's educational operations	-	-	675,443	675,443
Other trading activities	1,693	-	22,022	23,715
Investment income	<u>131</u>	<u>(1)</u>	<u>2</u>	<u>132</u>
Total	1,825	5,755	736,139	743,719

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	17,538	751,453	768,991
NET INCOME/(EXPENDITURE)	1,825	(11,783)	(15,314)	(25,272)
Transfers between funds	-	2,726	(2,726)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	42,000	42,000
Net movement in funds	1,825	(9,057)	23,960	16,728
RECONCILIATION OF FUNDS				
Total funds brought forward				
As previously reported	6,256	1,159,348	(59,549)	1,106,055
Prior year adjustment	-	(1,068,840)	-	(1,068,840)
As Restated	6,256	90,508	(59,549)	37,215
TOTAL FUNDS CARRIED FORWARD	<u>8,081</u>	<u>81,451</u>	<u>(35,589)</u>	<u>53,943</u>

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017	90,821	20,186	11,615	122,622
Additions	-	-	4,440	4,440
At 31 August 2018	<u>90,821</u>	<u>20,186</u>	<u>16,055</u>	<u>127,062</u>
DEPRECIATION				
At 1 September 2017	22,352	8,026	10,793	41,171
Charge for year	6,055	3,027	2,116	11,198
At 31 August 2018	<u>28,407</u>	<u>11,053</u>	<u>12,909</u>	<u>52,369</u>
NET BOOK VALUE				
At 31 August 2018	<u>62,414</u>	<u>9,133</u>	<u>3,146</u>	<u>74,693</u>
At 31 August 2017	<u>68,469</u>	<u>12,160</u>	<u>822</u>	<u>81,451</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£	£
Trade debtors	52	-
Other debtors	18,261	19,751
VAT	16,703	2,799
Prepayments and accrued income	<u>22,847</u>	<u>22,924</u>
	<u>57,863</u>	<u>45,474</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17
	£	£
Trade creditors	6,731	1,195
Social security and other taxes	19,655	18,466
Other creditors	-	1,370
Accruals and deferred income	2,130	2,579
Deferred government grants	<u>16,463</u>	<u>15,539</u>
	<u>44,979</u>	<u>39,149</u>
 Deferred income		31.8.18
		£
Deferred income brought forward		15,539
Resources deferred in the years		16,463
Amounts released from previous years		<u>(15,539)</u>
		<u>16,463</u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meal income received from the EFA, relating to the 18/19 academic year.

15. LEASING AGREEMENTS

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

	31.8.18	31.8.17
	£	£
Within one year	752	752
Between one and five years	<u>-</u>	<u>752</u>
	<u>752</u>	<u>1,504</u>

16. MEMBERS' LIABILITY

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	74,693	-	74,693
Current assets	138,805	7,390	96,609	242,804
Current liabilities	-	(4,629)	(40,350)	(44,979)
Pension liability	-	-	(206,000)	(206,000)
	<u>138,805</u>	<u>77,454</u>	<u>(149,741)</u>	<u>66,518</u>

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

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
Fixed assets	-	81,451	-	81,451
Current assets	8,081	-	231,560	239,641
Current liabilities	-	-	(39,149)	(39,149)
Pension liability	-	-	(228,000)	(228,000)
	<u>8,081</u>	<u>81,451</u>	<u>(35,589)</u>	<u>53,943</u>

18. MOVEMENT IN FUNDS

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
Unrestricted fund	8,081	1,331	129,393	138,805
Restricted funds				
General Annual Grant (GAG)	13,594	(872)	(4,440)	8,282
Restricted Pension Fund	(228,000)	22,000	-	(206,000)
Conversion and depreciation	2,625	(900)	-	1,725
Other Restricted	178,818	(6,624)	(129,393)	42,801
DfE/ESFA Capital Grants	2,013	356	4,440	6,809
Other DfE/ESFA Grants	-	5,176	-	5,176
Capital expenditure from GAG	69,812	(6,390)	-	63,422
Other Restricted Fund Assets	<u>7,000</u>	<u>(1,502)</u>	<u>-</u>	<u>5,498</u>
	<u>45,862</u>	<u>11,244</u>	<u>(129,393)</u>	<u>(72,287)</u>
TOTAL FUNDS	<u>53,943</u>	<u>12,575</u>	<u>-</u>	<u>66,518</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	1,331	-	-	1,331
Restricted funds				
General Annual Grant (GAG)	581,365	(582,237)	-	(872)
Other Restricted	113,853	(120,477)	-	(6,624)
DfE/ESFA Capital Grants	77,438	(77,082)	-	356
Other DfE/ESFA Grants	71,233	(66,057)	-	5,176
Capital expenditure from GAG	1	(6,391)	-	(6,390)
Other Restricted Fund Assets	-	(1,502)	-	(1,502)
Restricted Pension Fund	-	(23,000)	45,000	22,000
Conversion and depreciation	-	(900)	-	(900)
	843,890	(877,646)	45,000	11,244
TOTAL FUNDS	<u>845,221</u>	<u>(877,646)</u>	<u>45,000</u>	<u>12,575</u>

Comparatives for movement in funds

	At 1.9.16 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted Funds					
Unrestricted fund	6,256	-	1,825	-	8,081
Restricted Funds					
General Annual Grant (GAG)	(6,181)	-	22,502	(2,726)	13,595
Restricted Pension Fund	(251,000)	-	23,000	-	(228,000)
Conversion and depreciation	1,072,365	(1,068,840)	(900)	-	2,625
Other Restricted	188,866	-	(10,050)	-	178,816
DfE/ESFA Capital Grants	10,658	-	(2,447)	(6,198)	2,013
Other DfE/ESFA Grants	8,766	-	(8,766)	-	-
Capital expenditure from GAG	67,460	-	(6,391)	8,743	69,812
Other private sector	260	-	(441)	181	-
Other Restricted Fund Assets	8,605	-	(1,604)	-	7,001
	1,099,799	(1,068,840)	14,903	-	45,862
TOTAL FUNDS	<u>1,106,055</u>	<u>(1,068,840)</u>	<u>16,728</u>	<u>-</u>	<u>53,943</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	1,825	-	-	1,825
Restricted funds				
General Annual Grant (GAG)	583,853	(561,351)	-	22,502
Other Restricted	89,078	(99,128)	-	(10,050)
DfE/ESFA Capital Grants	5,755	(8,202)	-	(2,447)
Other DfE/ESFA Grants	63,208	(71,974)	-	(8,766)
Other private sector	-	(441)	-	(441)
Other Restricted Fund Assets	-	(1,604)	-	(1,604)
Restricted Pension Fund	-	(19,000)	42,000	23,000
Conversion and depreciation	-	(900)	-	(900)
Capital expenditure from GAG	-	(6,391)	-	(6,391)
	741,894	(768,991)	42,000	14,903
TOTAL FUNDS	<u>743,719</u>	<u>(768,991)</u>	<u>42,000</u>	<u>16,728</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds					
Unrestricted fund	6,256	-	3,156	129,393	138,805
Restricted funds					
General Annual Grant (GAG)	(6,181)	-	21,630	(7,166)	8,283
Restricted Pension Fund	(251,000)	-	45,000	-	(206,000)
Conversion and depreciation	1,072,365	(1,068,840)	(1,800)	-	1,725
Other Restricted	188,866	-	(16,674)	(129,393)	42,799
DfE/ESFA Capital Grants	10,658	-	(2,091)	(1,758)	6,809
Other DfE/ESFA Grants	8,766	-	(3,590)	-	5,176
Capital expenditure from GAG	67,460	-	(12,781)	8,743	63,422
Other private sector	260	-	(441)	181	-
Other Restricted Fund Assets	8,605	-	(3,106)	-	5,499
	<u>1,099,799</u>	<u>(1,068,840)</u>	<u>26,147</u>	<u>(129,393)</u>	<u>(72,287)</u>
TOTAL FUNDS	<u>1,106,055</u>	<u>(1,068,840)</u>	<u>29,303</u>	<u>-</u>	<u>66,518</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	3,156	-	-	3,156
Restricted funds				
General Annual Grant (GAG)	1,165,218	(1,143,588)	-	21,630
Other Restricted	202,931	(219,605)	-	(16,674)
DfE/ESFA Capital Grants	83,193	(85,284)	-	(2,091)
Other DfE/ESFA Grants	134,441	(138,031)	-	(3,590)
Capital expenditure from GAG	1	(12,782)	-	(12,781)
Other Restricted Fund Assets	-	(3,106)	-	(3,106)
Restricted Pension Fund	-	(42,000)	87,000	45,000
Conversion and depreciation	-	(1,800)	-	(1,800)
Other private sector	-	(441)	-	(441)
	<u>1,585,784</u>	<u>(1,646,637)</u>	<u>87,000</u>	<u>26,147</u>
TOTAL FUNDS	<u>1,588,940</u>	<u>(1,646,637)</u>	<u>87,000</u>	<u>29,303</u>

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds

During the year a transfer between funds was made to reflect capital assets which have been funded by restricted general funds, and to reallocate funds from conversion as unrestricted in accordance with ESFA guidance.

19. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £9,294 were payable to the schemes at 31 August 2018 (2017: £8,694) and are included within creditors.

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

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

The employer's pension costs paid to TPS in the period amounted to £51,476 (2017: £49,745).

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.

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £39,136 (2017: £34,224), of which employer's contributions totalled £24,915 (2017: £27,760) and employees' contributions totalled £7,196 (2017: £6,464). The agreed contribution rates for future years are 18.7 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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

The rates payable over a six year period will be the Future Service Rate of 18.7% of payroll plus phased lump sum deficit contributions starting at £6,900 for the year to 2018, increasing by approximately 4% per annum. The rate payable from 1 April 2020 will be further revised following the next valuation of the Pension Fund which took place on 31 March 2019.

The current estimated recovery period is 18 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
	£	£
Present value of funded obligations	(394,000)	(366,000)
Fair value of plan assets	<u>188,000</u>	<u>138,000</u>
	<u>(206,000)</u>	<u>(228,000)</u>
Deficit	<u>(206,000)</u>	<u>(228,000)</u>
Liability	<u>(206,000)</u>	<u>(228,000)</u>

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

	Defined benefit pension plans	
	31.8.18	31.8.17
	£	£
Current service cost	48,000	42,000
Net interest from net defined benefit asset/liability	<u>6,000</u>	<u>5,000</u>
	<u>54,000</u>	<u>47,000</u>
Actual return on plan assets	<u>11,000</u>	<u>17,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.18	31.8.17
	£	£
Defined benefit obligation	366,000	338,000
Current service cost	48,000	42,000
Contributions by scheme participants	7,000	6,000
Interest cost	10,000	7,000
Actuarial losses/(gains)	(38,000)	(27,000)
Benefits paid	<u>1,000</u>	<u>-</u>
	<u>394,000</u>	<u>366,000</u>

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

	Defined benefit pension plans	
	31.8.18	31.8.17
	£	£
Fair value of scheme assets	138,000	87,000
Contributions by employer	32,000	28,000
Contributions by scheme participants	7,000	6,000
Assets exp return (interest)	4,000	2,000
Assets actuarial gain/loss (re measurement)	7,000	15,000
Benefits paid	1,000	-
Assets no descr	<u>(1,000)</u>	<u>-</u>
	<u>188,000</u>	<u>138,000</u>

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

	Defined benefit pension plans	
	31.8.18	31.8.17
	£	£
Actuarial gains/(losses)	<u>45,000</u>	<u>42,000</u>
	<u>45,000</u>	<u>42,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.18	31.8.17
Equities	77%	86.1%
Government bonds	8%	0%
Bonds - Other	4.6%	5.2%
Cash/liquidity	4.7%	1.3%
Other	2.1%	3.6%
Property	3.6%	3.8%

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	144,000	119,000
Government Bonds	15,000	-
Other bonds	9,000	7,000
Property	9,000	5,000
Cash/liquidity	4,000	2,000
Other	7,000	5,000
Total market value of assets	188,000	138,000
Present value of scheme liabilities		
- Funded	(394,000)	(366,000)
Surplus/(deficit) in the same scheme	<u>(206,000)</u>	<u>(228,000)</u>

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

	31.8.18	31.8.17
Discount rate	2.8%	2.4%
Future salary increases	3.6%	3.7%
Future pension increases	2.2%	2.2%
Inflation assumption (CPI)	2.1%	2.2%

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.7	22.6
Females	25.7	25.6
Retiring in 20 years		
Males	24.9	24.8
Females	28	27.9

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

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2018.

Mordiford Church of England Primary
School

Detailed Statement of Financial Activities
for the Year Ended 31 August 2018

	31.8.18 £	31.8.17 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Grants and donations	6,469	-
Grants	77,439	5,755
School fund income	<u>26,559</u>	<u>38,674</u>
	110,467	44,429
Other trading activities		
Catering income	19,190	17,642
Income from other organisations	25,659	4,380
Letting income	<u>1,205</u>	<u>1,693</u>
	46,054	23,715
Investment income		
Deposit account interest	129	132
Charitable activities		
Grants	<u>688,571</u>	<u>675,443</u>
Total incoming resources	845,221	743,719
EXPENDITURE		
Charitable activities		
Wages	397,627	369,015
Social security	33,472	31,252
Pensions	74,012	66,346
Supply teacher costs	4,760	8,077
Educational supplies	59,340	58,972
Staff development	6,510	7,335
Long leasehold	6,055	6,055
Interest on pension scheme liabilities	<u>23,000</u>	<u>19,000</u>
	604,776	566,052
Support costs		
Management		
Wages	66,333	67,737
Social security	3,844	3,098
Pensions	9,290	10,900
Administrative supplies	3,925	5,169
Recruitment and support	3,566	3,723
Maintenance of premises and equipment	73,065	13,981
Cleaning	8,227	6,118
Rent and rates	2,966	3,262
Energy costs	7,771	7,556
Insurance	4,817	5,225
Carried forward	183,804	126,769

Mordiford Church of England Primary
School

Detailed Statement of Financial Activities
for the Year Ended 31 August 2018

	31.8.18 £	31.8.17 £
Management		
Brought forward	183,804	126,769
Professional fees and services	29,727	18,312
Catering	47,092	45,940
Fixtures and fittings	3,027	3,027
Computer equipment	<u>2,115</u>	<u>2,701</u>
	265,765	196,749
Governance costs		
Auditors' remuneration	6,775	6,190
Auditors' remuneration for non audit work	<u>330</u>	<u>-</u>
	<u>7,105</u>	<u>6,190</u>
Total resources expended	877,646	768,991
	<hr/>	<hr/>
Net expenditure	<u><u>(32,425)</u></u>	<u><u>(25,272)</u></u>