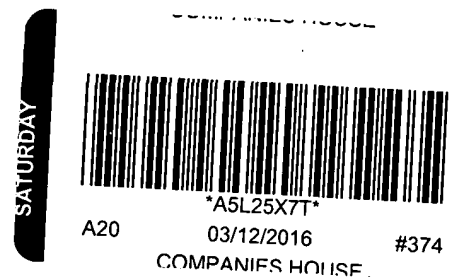


REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016
FOR

GRAVENY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)



McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Governance Statement	8 to 11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees Responsibilities	13
Report of the Independent Auditors	14 to 15
Independent Accountant's Report on Regularity	16 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 39
Reconciliation of Income and Expenditure	40
Reconciliation of Funds	41 to 42

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

MEMBERS

Mrs A Blackwell
B J Snashall
A H T Bowles

TRUSTEES

A H T Bowles (Local Councillor)
Mrs S A Dunkin (Administrative Assistant)
R Kitto (Education Consultant)
B J Snashall (Accountant)
Mrs A Blackwell (Headteacher)
K P Howarth (Shift Warehouse Manager) (resigned 24.9.15)
Mrs V L Keep (Registered Childminder)
Mrs D M Knibbs (School Manager)
Miss T C Goodsell (Teacher)
L J Suter (Parent)
D J Leahy (Parent) (Appointed 03.12.15)

Mrs Alison Blackwell, Miss Tracey Goodsell, Mrs Sarah Dunkin and Mrs Dreena Knibbs are staff governors.

Senior Management Team

Mrs Alison Blackwell
Miss Tracey Goodsell
Mrs Dreena Knibbs

Headteacher
Senior teacher
Business Manager

REGISTERED OFFICE

C/O Graveney Primary School
Seasalter Road
Graveney
FAVERSHAM
Kent
ME13 9DU

REGISTERED COMPANY NUMBER

07847021 (England and Wales)

AUDITORS

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2016. The trustees 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 Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Governors act as the Trustees for the activities of Graveney Primary School and are also the Directors of the company for the purposes of company law.

The charitable company is known as Graveney Primary School.

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

Members' liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every Governor, officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

Recruitment and appointment of new trustees

The number of Governors (Directors) shall be not less than three and shall not be subject to any maximum.

Members may appoint up to 5 governors and any number of staff governors, providing the number of staff governors does not exceed one third of total governors.

The Chairman of each Local Governing Body shall be a Governor, appointed by the Governing Body.

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

There shall be a minimum of 2 Parent Governors, elected by the Parent Members of the Advisory Bodies/Local Governing Bodies. Parent Governors must be a parent of a registered pupil of Graveney Primary School or of one of the other local Academies. Any election of Parent Governors which is contested will be held by secret ballot.

If the number of Parents standing is less than the number of vacancies, the number of Parent Governors required will be made up of Parent Governors appointed by the Governing Body.

The Governors may appoint up to three co-opted Governors. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Headteacher).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Recruitment and appointment of new trustees - continued

The Secretary of State may appoint Additional Governors as he thinks fit if a warning notice has been given to the Governors because the standards of performance are unacceptably low, there is a serious breakdown in the way the Academy is managed and the safety of staff and pupils is threatened and following this, the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint Additional Governors following an inspection by the Chief Inspector in accordance with the Education Act 2005 and the Academy Trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint Further Governors as he thinks fit if a Special Measures Termination Event occurs.

Induction and training of new trustees

The induction provided for new Governors is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a Governor will be made available. Each new Governor is also allocated a mentor Governor to support them in their new role.

Ongoing training is available through Kent County Council Governor Services. They provide an annual calendar of training events in addition to online training that all Governors can access. The Academy will also employ bespoke trainers where deemed necessary. Training sessions for all Governors are arranged at the School on appropriate topics, usually once per year. A Governor is designated to oversee and collate the training records and to arrange bespoke sessions. Governors are also invited by the Headteacher to attend Staff training sessions, where appropriate.

Organisational structure

The Governors are responsible for the strategic direction of the School, making major decisions and monitoring the activities of the School. This is achieved through six meetings a year of the Full Governing Body and meetings of Working Parties set up to look at specific areas of the School's activities. The Governors are responsible for monitoring the performance of the Headteacher on a regular basis.

The Headteacher is assisted by the Senior Management Team, including the Business Manager and the teaching and administrative staff.

The Headteacher is the accounting officer of the academy trust.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body is ultimately responsible for all pay decisions affecting staff in this school

The Governing Body will delegate all pay decisions with the exception of decisions relating to the pay of the Leadership team to the Headteacher. All references in this Policy to the Pay Committee will then apply to the Headteacher.

All decisions relating to the pay for members of the Leadership pay spine, including the Headteacher will be taken by the Governing Body.

Connected Organisations, including Related Party Relationships

The School has no subsidiaries and is not connected to any other organisation.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES

Objectives and aims

The School's object is to advance for the public benefit education in the Graveney area of Kent, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The School aims to:

- Ensure that the School's curriculum continues to meet the needs of its students, and staff continue to aspire to the highest standards of teaching and learning in its delivery.
- Continually review the curriculum and its delivery in order to ensure that it meets the needs of its students, encourages high aspirations and enables them to fulfil their potential.
- Provide excellent CPD opportunities for all staff.
- Further develop the use of ICT in school to support teaching and learning and administration within school.
- Continue to develop the PSHCE provision with particular focus on health, sex, drugs, life skills and citizenship education.

Objectives, Strategies and Activities

Graveney Primary School Vision

Graveney Primary School provides a positive learning community delivered through partnership which believes in the uniqueness of each child. We aim to nurture the spiritual, cultural and mental development of each individual within a caring and safe environment. We are committed to a process of continual improvement promoting aspiration, confidence and enjoyment.

Our aims for all our children at Graveney are to ensure they will:

- have high expectations of themselves and others at all times
- have respect for themselves and others in our diverse community as well as for the environment
- have the confidence to work independently and collaboratively, and to embrace new challenges
- have an enthusiasm for learning which empowers them in achieving their best in all aspects of life and follow a healthy lifestyle.
- be able to reflect, evaluate and build upon their experiences at Graveney, with happiness and pride.

Our curriculum is broad, balanced, flexible, exciting and relevant, inclusive and well planned. We ensure it enables pupils to make a significant contribution to their school, their community and the wider world.

Public benefit

The Governors confirm that they have complied with the duties in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set

The public benefit of Graveney Primary School is the advancement of education within the local community.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The School had 105 students on roll (maximum capacity is 105).

Targets have been set for all pupils in the school. These are linked to the priorities in the school improvement plan and staff performance management targets. The school has set challenging targets this year aimed at increasing the standards achieved in both KS1 and KS2.

Attendance across the whole school was 97.13%, with our pupil premium pupils achieving 95.53%. 69% of this group achieved over 95% attendances for the whole year. Both attendance figures are very close to the challenging target for attendance set this year. There has been an increase in pupil's attendance over the summer term with almost all pupils being monitored achieving an increase within this last term.

There are currently 9.6% of children who are on the Special Needs register. They are mainly supported through the school's provision map; this is a document for each year group that identifies individuals and groups showing their additional support. Teaching assistants are used from each class to support groups of children and individuals. Children's progress is carefully tracked using SIMs Assessment Manager. All vulnerable groups are monitored and any actions addressed through the school improvement plan. Progress for these pupils is good with 75% of pupils making good or better progress in all areas. Progress in reading and writing was strongest for this group of pupils.

Graveney Primary school has remained above the national average for outcomes in EYFS, achieving a Good Level of Development, but it dipped in attainment from last year achieving 75% this year. These lower results were due to the particular needs of the cohort.

Attainment in year 1 phonics also remains above national average with 93.8% achieving the expected standard. All year 2 pupils who completed the retake were successful with the school achieving 100% once more this year. Our Key stage 1 results continue to be above local and national averages with 84.6% of pupils achieving expected standards in Reading: 76.9% in Writing and 100% in Maths. Pupils achieving Greater Depth in Key Stage 1 were also above national average with 38.5% achieving Reading, 30.8% Writing and 30.8% Maths.

Results in Key Stage 2 were significantly lower in all areas than national average with only 43% achieving the expected standard in reading, writing and maths. Results in grammar, punctuation and spelling were strongest with 60% of pupil premium pupils achieving the expected standard. Results for pupils achieving greater depth were significantly low with only one pupil achieving this standard in reading.

Our value added progress scores were below national averages with -4 for reading, -6 for writing and -6 for maths. There have been staffing changes in order to address this drop in standards.

Key financial performance indicators

Staff costs as a percentage of total income, excluding capital grants, for the year to 31 August 2016:

Teaching and educational support staff	47.69%
Other support staff	17.41%
Total staff	65.10%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

ACHIEVEMENT AND PERFORMANCE - continued
Key financial performance indicators - continued

The Academy's accounting period covers the year to 31 August 2016.

The majority of the School's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the EFA. 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 assets fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned

FINANCIAL REVIEW

Investment policy and objectives

The School is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in an interest bearing bank account.

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments of the School, including future capital projects, and the nature of the reserves. The Trustees recognise the need for a level of financial reserves that will shield the school from the possibility of adverse unforeseen circumstances. The school will seek to have reserves that will cover from one to three months of annual expenditure. For the 15/16 year such reserves amount to £45,386 - £136,158.

The Trustees have considered the risks and opportunities and reviewed the level of cash reserves which it deems prudent to maintain for the year 16/17. The available funds held are considered more than adequate for the coming year at £111,139 with £57,836 held as unrestricted funds and £53,303 as general restricted funds which are for use in the day-to-day running of the school. Planned developments for the next financial year will bring the school's reserve closer to the one month target.

The Governors keep the level of the reserves under review.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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.

FUTURE PLANS

The School seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Trustees hold no funds as custodian trustee.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW - continued

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The future financial and risk management objectives for the Academy include:

Ensuring that the impact from the current tightening of funding in the public sector is fully taken into consideration when decisions about future spending are taken.

PRINCIPAL RISKS AND UNCERTAINTIES

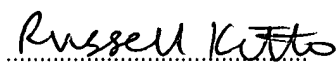
The principal risk and uncertainty in respect of the School relates to the future funding available. The School mitigates this risk as far as possible by preparing budgets which are reviewed by the Trustees to ensure that the level of anticipated funding is sufficient to meet the requirements of the School. Monitoring of actual performance to budgets is undertaken monthly by the Finance Monitoring Pair and the full Governing Body. Any shortfall identified is considered by the Trustees and remedial action taken with a view to balancing the budget.

AUDITORS

In so far as the Governors are aware:

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

Approved by order of the board of trustees on24/11/16..... and signed on its behalf by:



R Kitto - Chair

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Graveney 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 trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Graveney Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The Governing body operates a "Circle Model" of governance. This method has been evaluated and implemented to ensure that the body is truly Strategic. The Governing Body works as a whole team, meeting 6 times per year, once in each term, without any separate committees. An agenda for each meeting will include all the tasks which the Governing Body is required to consider, and the Governing Body will 'commission' assignments or activities arising from the business of the meeting, which will be recorded in the minutes.

In addition to 'commissioning' activities or actions on their behalf, the Governing Body may wish to delegate monitoring activities to 'Monitoring Pairs' or individuals. This could apply to statutory functions, and/or the priorities of the School Plan.

In each case where a function has been delegated, there is a statutory duty to report any action or decision to the Governing Body at the next meeting.

The Governing Body creates an annual Strategic Focus for each academic year, each member then completes an annual self review and the Strategic document is then evaluated to ensure that the objectives have been achieved.

The Governors' Strategic Vision Statement is included above, in the 'Objectives and Activities' section.

The Governing Body takes a strategic approach to monitoring under the 'Circle Model'. We are the critical friend to the school and ensure legal responsibilities are being adhered to by reviewing, monitoring visits and Headteacher performance monitoring. We are responsible for setting and reviewing the policies and procedures for the school.

We contribute to, and review the School Improvement Plan and Self Evaluation Forms to ensure that they are in line with the aims of the school.

We engage in dialogue with all the stakeholders for the success of the school and create a strong working relationship with the Senior Management Team by maintaining strategic focus and not interfering with operational matters.

Working Together

We believe that success is built on working together. Graveney Primary School Board of Governors works with all stakeholders for the benefit of the children, their education and the future success of the school.

Membership

Barry Snashall ~ Parent Governor

Responsible for: Budget Monitoring, Attainment/learning/progress, Leadership & Management, Headteacher Performance Management, AEN/CP/Safeguarding

Andrew Bowles ~ LA Governor ~ Vice Chair

Responsible for: Budget Monitoring, Leadership & Management, Parish Council contact, Health & Safety

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Membership - continued

Alison Blackwell ~ Headteacher Governor (Principal)

Responsible for: Teaching & Assessment, Leadership & Management

Tracey Goodsell ~ Staff Governor

Responsible for: Teaching & Assessment, Leadership & Management

Dreena Knibbs ~ Staff Governor

Responsible for: Personal Development and Wellbeing inc. ECM, Health and Safety, Leadership and Management

Russell Kitto ~ Community Governor - Chair

Responsible for: Personal Development and Wellbeing inc. ECM, Attainment/Learning/Progress, Headteacher Performance Management, Leadership and Management

Sarah Dunkin ~ Staff Governor

Responsible for: Early Years Goals, Early Years, Leadership & Management, Training & Development

Vicky Keep ~ Parent Governor

Responsible for: Early Years Goals , AEN/CP/Safeguarding, Leadership & Management.

Pete Howarth ~ Parent Governor (resigned 24/9/15)

Responsible for: Learning for LDD and Progress , Leadership & Management.

Lee Suter~ Parent Governor

Responsible for: AEN/CP/Safeguarding, Leadership & Management

David Leahy – Parent Governor (appointed 03.12.15)

Responsible for: Early Years Goals, Leadership & Management

Trustee	Meetings attended	Out of a possible
A Blackwell (headteacher)	5	5
A Bowles	2	5
S Dunkin (staff trustee)	5	5
R Kitto	3	5
D Knibbs (staff trustee)	5	5
T Goodsell (staff trustee)	5	5
B Snashall (chairman)	3	5
V Keep *	1	5
L Suter	5	5
D Leahy	3	4

* V Keep has missed meetings due to illness but fully intends to return when she is back to full strength.

As accounting officer, the principal has responsibility for ensuring 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 taxpayer resources received.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Review of Value for Money

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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by: ensuring that a broad and balanced curriculum has been provided for all pupils. The school has invested in additional assessment materials due to the removal of levels within the curriculum including assessment in reading which had been identified as an area of weakness in the school improvement plan. Maths assessments were also purchased for the school but these proved to be inaccurate within some year groups. The Mathematics program has continued to be used across Key Stage 2 and Upper Key Stage 1 to encourage pupils to consolidate their learning in mathematics at home.

The school has focussed on the arts within the curriculum, developing a new staging area with sound system in our playground. This has been used for various productions including a whole school production of A Midsummer Night's Dream which was well attended by friends and parents of the school.

During 2015-16 the school has been challenged with staffing changes and recruitment for teaching posts was difficult. The school successfully recruited an experienced teacher to teach in Upper Key Stage 2. There were unfortunately no other suitable applicants to fill the remaining post, so this was covered through a supply teacher and the headteacher to minimise disruption to the pupils' learning.

The school has had a very successful year with sports, achieving the School Games Gold Award. Pupil participation in games and sports clubs has increased to 87% of pupils engaging in extra-curricular sporting activities each week. This is due to the school providing a wider range of sports clubs including the introduction of archery and fencing. Pupils also participated in a wider range of competitions including cross country, gymnastics, athletics and rugby.

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 trust 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 Graveney Primary School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed a governor to perform a range of checks of our financial controls, systems, transactions and risks. This is reported to the Governing Body.

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 internal reviewer
- 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.

Approved by order of the members of the board of trustees on 24 November 2016 and signed on its behalf by:



.....
B J Snashall - Accountant



.....
Alison Blackwell - Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Graveney Primary School (A Company Limited by Guarantee) I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



.....
Alison Blackwell - Accounting Officer

Date: 24 November 2016.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who act as governors of Graveney 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 Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

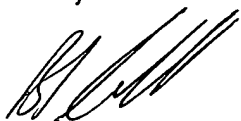
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 and the Academies Accounts Direction 2015-16;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the academy trust 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 24 November 2016 and signed on its behalf by:



.....
B J Snashall - Accountant

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Graveney Primary School (A Company Limited by Guarantee) for the year ended 31 August 2016 on pages eighteen to forty one. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page fourteen, the trustees (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



Liam McHugh FCA
McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 24 November 2016

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 April 2016 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graveney Primary School (A Company Limited by Guarantee) during the period 1 September 2015 to 31 August 2016 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 Graveney Primary School (A Company Limited by Guarantee) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Graveney Primary School (A Company Limited by Guarantee) and the EFA 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 Graveney Primary School (A Company Limited by Guarantee) and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Graveney Primary School (A Company Limited by Guarantee)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Graveney Primary School (A Company Limited by Guarantee)'s funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes a review of the following:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the responsible officer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Graveney Primary School and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE) AND THE EDUCATION FUNDING AGENCY

Approach - continued

- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McCabe Ford Williams

McCabe Ford Williams
Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 24 November 2016

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016

				31.8.16	31.8.15	
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	4,081	-	5,170	9,251	14,070
Charitable activities						
Funding for the academy's educational operations	3	23,052	524,924	-	547,976	526,899
Other trading activities	4	556	-	-	556	1,160
Investment income	5	118	-	-	118	105
Total		27,807	524,924	5,170	557,901	542,234
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		1,061	512,514	38,320	551,895	574,879
Total	6	1,061	512,514	38,320	551,895	574,879
NET INCOME/(EXPENDITURE)						
		26,746	12,410	(33,510)	6,006	(32,645)
Transfers between funds	18	-	(14,156)	14,156	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(117,000)	-	(117,000)	(2,000)
Net movement in funds		26,746	(118,746)	(18,994)	(110,994)	(34,645)
RECONCILIATION OF FUNDS						
Total funds brought forward		31,090	(111,951)	1,246,746	1,165,885	1,200,530
TOTAL FUNDS CARRIED FORWARD		57,836	(230,697)	1,227,752	1,054,891	1,165,885

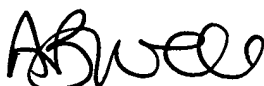
The notes form part of these financial statements

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE) (REGISTERED NUMBER: 07847021)

BALANCE SHEET
AT 31 AUGUST 2016

	Notes	31.8.16 £	31.8.15 £
FIXED ASSETS			
Tangible assets	12	1,227,752	1,246,746
CURRENT ASSETS			
Debtors	13	17,540	12,229
Cash at bank		<u>109,989</u>	<u>88,325</u>
		127,529	100,554
CREDITORS			
Amounts falling due within one year	14	(16,390)	(30,415)
NET CURRENT ASSETS		<u>111,139</u>	<u>70,139</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,338,891	1,316,885
PENSION LIABILITY	19	(284,000)	(151,000)
NET ASSETS		<u><u>1,054,891</u></u>	<u><u>1,165,885</u></u>
FUNDS	18		
Unrestricted funds		57,836	31,090
Restricted fixed asset funds		1,227,752	1,246,746
Restricted funds		53,303	39,049
Pension fund		<u>(284,000)</u>	<u>(151,000)</u>
TOTAL FUNDS		<u><u>1,054,891</u></u>	<u><u>1,165,885</u></u>

The financial statements were approved by the Board of Trustees on 24 November 2016 and were signed on its behalf by:



Trustee - Alison Blackwell

The notes form part of these financial statements

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	31.8.16 £	31.8.15 £
Cash inflow from operating activities		35,701	13,410
Net cash provided by operating activities	1		
Cash flows from investing activities	3	(14,037)	(15,053)
Cash flows from financing activities	2	-	-
Change in cash and cash equivalents in the reporting period		21,664	(1,643)
Cash and cash equivalents at 1 September 2015		88,325	89,968
Cash and cash equivalents at 31 August 2016	4	<u>109,989</u>	<u>88,325</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

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

	31.8.16 £	31.8.15 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,006	(32,645)
Adjustments for:		
Depreciation	38,319	35,862
Capital grants from DfE/EFA	(5,170)	(5,114)
Interest received	(118)	(105)
Defined benefit pension scheme cost less contributions (note 19)	11,000	10,000
Defined benefit pension scheme finance cost (note 19)	5,000	6,000
(Increase)/decrease in debtors	(5,310)	4,440
Decrease in creditors	<u>(14,026)</u>	<u>(5,028)</u>
Net cash provided by operating activities	<u>35,701</u>	<u>13,410</u>

2. CASHFLOWS FROM FINANCING ACTIVITIES

	31.8.16 £	31.8.15 £
Repayments of borrowing	-	-
Cash flows from new borrowing	-	-
Net cash inflow for returns on investments and servicing of finance	<u>-</u>	<u>-</u>

3. CASHFLOWS FROM INVESTING ACTIVITIES

	31.8.16 £	31.8.15 £
Dividends, interest and rents from investments	118	105
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(19,325)	(20,272)
Capital grants from DfE/EFA	<u>5,170</u>	<u>5,114</u>
Net cash used in investing activities	<u>(14,037)</u>	<u>(15,053)</u>

4. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.8.16 £	31.8.15 £
Cash in hand and at bank	109,989	88,325
Notice deposits (less than 3 months)	-	-
Net cash inflow for returns on investments and servicing of finance	<u>109,989</u>	<u>88,325</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, 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 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Graveney Primary School (A Company Limited by Guarantee) meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Graveney Primary School (A Company Limited by Guarantee) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Graveney Primary School (A Company Limited by Guarantee) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust 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.

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

- **Donations**

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES - continued

- **Other Income**

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

- **Donated assets**

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

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- straight line over 50 years and straight line over 125 years
Fixtures and fittings	- straight line over 5 years
Computer equipment	- straight line over 4 years

Assets are capitalised on a case by case basis, after consideration by the Governors. Once capitalised, tangible fixed assets 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's depreciation policy. Where assets are purchased with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES - continued

Liabilities

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

Leased Assets

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

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 funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

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

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 key assumption about the future is that the academy trust will continue to be funded, at a comparable level, by the Education Funding Agency.

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

1. ACCOUNTING POLICIES - continued

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi employer scheme and 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Leasehold property

The land and buildings from which the academy operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to Graveney Primary School and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to donated income within the restricted fixed asset fund. The property was valued at depreciated replacement cost by professional valuers who specialise in public sector property valuation. The valuation was specifically carried out in accordance with the capital accounting requirements of the Charities SORP 2005.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Donated fixed assets	-	-	-	-
Other donations	4,081	-	4,081	8,956
Capital grants	-	5,170	5,170	5,114
	<u>4,081</u>	<u>5,170</u>	<u>9,251</u>	<u>14,070</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	459,651	459,651	447,891
Other DfE/EFA grants	-	50,331	50,331	50,802
	-	509,982	509,982	498,693
Other government grant				
Local Authority grants	-	14,342	14,342	9,873
Other income from the academy trust's educational operations	<u>23,052</u>	<u>600</u>	<u>23,652</u>	<u>18,333</u>
	<u>23,052</u>	<u>524,924</u>	<u>547,976</u>	<u>526,899</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Hire of facilities	-	-	-	1,160
Cycle to Work Scheme	<u>556</u>	-	<u>556</u>	-
	<u>556</u>	-	<u>556</u>	<u>1,160</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	31.8.16 Total funds	31.8.15 Total funds
	£	£	£	£
Deposit account interest	<u>118</u>	<u>-</u>	<u>118</u>	<u>105</u>

6. EXPENDITURE

	Staff costs	Non-pay expenditure Premises	Other costs	31.8.16 Total	31.8.15 Total
	£	£	£	£	£
Charitable activities					
Academy's educational operations					
Direct costs	263,590	29,378	67,058	360,026	342,090
Allocated support costs	<u>96,222</u>	<u>40,063</u>	<u>55,584</u>	<u>191,869</u>	<u>232,789</u>
	<u>359,812</u>	<u>69,441</u>	<u>122,642</u>	<u>551,895</u>	<u>574,879</u>

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

	31.8.16	31.8.15
	£	£
Auditor's remuneration	5,100	5,100
Auditor's fees, non-audit work	500	1,300
Depreciation - owned assets	<u>38,319</u>	<u>35,862</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.16 Total funds	31.8.15 Total funds
	£	£	£	£
Direct costs	-	360,026	360,026	342,090
Support costs	<u>1,061</u>	<u>190,808</u>	<u>191,869</u>	<u>232,789</u>
	<u>1,061</u>	<u>550,834</u>	<u>551,895</u>	<u>574,879</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.16	31.8.15
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	96,222	95,240
Depreciation	8,941	8,276
Technology costs	8,109	8,927
Premises costs	31,121	51,414
Other support costs	41,876	62,532
Governance costs	<u>5,600</u>	<u>6,400</u>
Total support costs	<u>191,869</u>	<u>232,789</u>

8. STAFF COSTS

	31.8.16	31.8.15
	£	£
Wages and salaries	268,017	286,043
Social security costs	20,609	19,153
Other pension costs	41,089	39,363
Operating cost of LGPS	<u>16,000</u>	<u>10,000</u>
	345,715	354,559
Supply teacher costs	<u>14,097</u>	<u>5,744</u>
	<u>359,812</u>	<u>360,303</u>

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

	31.8.16	31.8.15
Teaching and educational support	9	7
Administration and support	6	2
Management	<u>2</u>	<u>2</u>
	<u>17</u>	<u>11</u>

No employees received emoluments in excess of £60,000 in the year to 31 August 2016 or in the year to 31 August 2015.

Key Management Personnel

The key management personnel of the academy trust comprise the trustees. The Head Teacher, the Senior Teacher and the School Business Manager, who are also trustees, are deemed to be key positions.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £169,413 (2015: £163,727).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

9. TRUSTEES' REMUNERATION AND BENEFITS

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

Alison Blackwell (principal and staff trustee)		
Remuneration	£45,000 - £50,000	(2015: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000	(2015: £5,000 - £10,000)
Dreena Knibbs (staff trustee)		
Remuneration	£35,000 - £40,000	(2015: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2015: £5,000 - £10,000)
Sarah Dunkin (staff trustee)		
Remuneration	£10,000 - £15,000	(2015: £10,000 - £15,000)
Employer's pension contributions	£0 - £5,000	(2015: £0 - £5,000)
Tracey Goodsell (staff trustee)		
Remuneration	£35,000 - £40,000	(2015: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2015: £5,000 - £10,000)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2016 nor for the year ended 31 August 2015.

10. TRUSTEES' 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. The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	8,956	-	5,114	14,070
Charitable activities				
Funding for the academy's educational operations	18,334	508,565	-	526,899
Other trading activities	1,160	-	-	1,160
Investment income	105	-	-	105
Total	28,555	508,565	5,114	542,234
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	22,605	516,411	35,863	574,879
Total	22,605	516,411	35,863	574,879
NET INCOME/(EXPENDITURE)	5,950	(7,846)	(30,749)	(32,645)
Transfers between funds	(3,000)	(12,158)	15,158	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(2,000)	-	(2,000)
Net movement in funds	2,950	(22,004)	(15,591)	(34,645)
RECONCILIATION OF FUNDS				
Total funds brought forward	28,140	(89,947)	1,262,337	1,200,530
TOTAL FUNDS CARRIED FORWARD	31,090	(111,951)	1,246,746	1,165,885

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2015	1,288,594	8,289	53,141	1,350,024
Additions	<u>12,429</u>	<u>3,651</u>	<u>3,245</u>	<u>19,325</u>
At 31 August 2016	<u>1,301,023</u>	<u>11,940</u>	<u>56,386</u>	<u>1,369,349</u>
DEPRECIATION				
At 1 September 2015	78,955	3,069	21,254	103,278
Charge for year	<u>22,739</u>	<u>1,934</u>	<u>13,646</u>	<u>38,319</u>
At 31 August 2016	<u>101,694</u>	<u>5,003</u>	<u>34,900</u>	<u>141,597</u>
NET BOOK VALUE				
At 31 August 2016	<u>1,199,329</u>	<u>6,937</u>	<u>21,486</u>	<u>1,227,752</u>
At 31 August 2015	<u>1,209,639</u>	<u>5,220</u>	<u>31,887</u>	<u>1,246,746</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £	31.8.15 £
Other debtors	278	-
VAT	4,437	3,576
Prepayments and accrued income	<u>12,825</u>	<u>8,653</u>
	<u>17,540</u>	<u>12,229</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £	31.8.15 £
Trade creditors	2,379	9,509
Accruals and deferred income	<u>14,011</u>	<u>20,906</u>
	<u>16,390</u>	<u>30,415</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

	31.8.16 £	31.8.15 £
Deferred income		
Deferred income at 1 September 2015	9,948	17,325
Released from prior years	(9,948)	(17,325)
Resources deferred in the year	<u>8,161</u>	<u>9,948</u>
	<u>8,161</u>	<u>9,948</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips of £1,660 (2015: £nil) and free school meals of £6,501 (2015: £9,948).

15. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	31.08.16	31.08.15
Amounts due within one year	1,948	870
Amounts due between one and five years	<u>6,172</u>	<u>-</u>
	<u>8,120</u>	<u>870</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.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.16	31.8.15
	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £	Total funds £
Fixed assets	-	-	1,227,752	1,227,752	1,246,746
Current assets	57,836	69,693	-	127,529	100,554
Current liabilities	-	(16,390)	-	(16,390)	(30,415)
Pension liability	-	(284,000)	-	(284,000)	(151,000)
	<u>57,836</u>	<u>(230,697)</u>	<u>1,227,752</u>	<u>1,054,891</u>	<u>1,165,885</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

18. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Unrestricted funds				
Unrestricted funds	31,090	26,746	-	57,836
Restricted general funds				
General Annual Grant	39,049	26,710	(14,156)	51,603
Other DfE/EFA grants	-	1,700	-	1,700
Pension reserve	(151,000)	(133,000)	-	(284,000)
	(111,951)	(104,590)	(14,156)	(230,697)
Restricted fixed asset funds				
Transfer on conversion	1,196,029	(22,266)	-	1,173,763
DfE/EFA capital grants	48,714	(9,353)	-	39,361
Donations of other assets	2,003	(772)	-	1,231
Capital expenditure from GAG	-	(759)	14,156	13,397
	1,246,746	(33,150)	14,156	1,227,752
TOTAL FUNDS	<u>1,165,885</u>	<u>(110,994)</u>	<u>-</u>	<u>1,054,891</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	27,807	(1,061)	-	26,746
Restricted funds				
General Annual Grant	459,651	(432,941)	-	26,710
Other DfE/EFA grants	25,581	(23,881)	-	1,700
Pupil Premium	24,750	(24,750)	-	-
Other government grants	14,342	(14,342)	-	-
Other income	600	(600)	-	-
DfE/EFA capital grants	5,170	(14,523)	-	(9,353)
Pension reserve	-	(16,000)	(117,000)	(133,000)
Transfer on conversion	-	(22,266)	-	(22,266)
Donations of other assets	-	(772)	-	(772)
Capital expenditure from GAG	-	(759)	-	(759)
	530,094	(550,834)	(117,000)	(137,740)
TOTAL FUNDS	<u>557,901</u>	<u>(551,895)</u>	<u>(117,000)</u>	<u>(110,994)</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

18. MOVEMENT IN FUNDS - continued

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

Restricted fixed asset funds

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy in achieving its educational objectives.

A one-off transfer of buildings and other fixed assets previously in use by Graveney Primary School occurred upon conversion to an Academy.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the Academy.

Capital expenditure from GAG

A total of £14,156 was transferred from GAG funding to purchase fixed assets which now make up part of the Restricted Fixed Asset fund.

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 Kent County Council. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Introduction

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 will be as at March 2016, 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 £28,751 (2015: £27,182).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £26,000 (2015: £25,000), of which employer's contributions totalled £20,000 (2015: £19,000) and employees' contributions totalled £6,000 (2015: £6,000). The agreed contribution rates for future years are 19.8 per cent for employers and an average of 6.6 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

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

	31.8.16	31.8.15
Discount rate	2.1%	3.9%
Future salary increases	4.1%	4.4%
Future pension increases	2.3%	2.6%
CPI Increases	2.3%	2.6%
RPI Increases	3.2%	3.5%
Commutation of pension to lump sums	50%	50%

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

	31.8.16	31.8.15
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	539,000	550,000	561,000
Projected service cost	41,000	42,000	43,000
Adjustment to mortality age rating assumption	+ 1 year	None	- 1 year
Present value of total obligation	564,000	550,000	536,000
Projected service cost	43,000	42,000	41,000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	181,000	142,000
Gilts	2,000	2,000
Other bonds	28,000	23,000
Property	37,000	28,000
Cash	6,000	5,000
Target return portfolio	<u>12,000</u>	<u>9,000</u>
Total market value of assets	266,000	209,000
Present value of scheme liabilities		
- Funded	<u>(550,000)</u>	<u>(360,000)</u>
Deficit in the scheme	<u>(284,000)</u>	<u>(151,000)</u>

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

	31.8.16 £	31.8.15 £
Current service cost (net of employee contributions)	(31,000)	(29,000)
Net interest cost	<u>15,000</u>	<u>13,000</u>
	<u>(16,000)</u>	<u>(16,000)</u>

The amounts recognised in the balance sheet are as follows:

	31.8.16 £	31.8.15 £
Present value of funded obligations	(550,000)	(360,000)
Fair value of scheme assets	<u>266,000</u>	<u>209,000</u>
Deficit	<u>(284,000)</u>	<u>(151,000)</u>

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

	31.8.16 £	31.8.15 £
Defined benefit obligation at 1 September 2015	(360,000)	(313,000)
Current service cost	(31,000)	(29,000)
Contributions by scheme participants	(6,000)	(6,000)
Interest cost	(14,000)	(13,000)
Change in financial assumption	<u>(139,000)</u>	<u>1,000</u>
Defined benefit obligation at 31 August 2016	<u>(550,000)</u>	<u>(360,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of the academy trust's share of scheme assets are as follows:

	31.8.16	31.8.15
	£	£
Fair value of scheme assets at 1 September 2015	209,000	180,000
Return on assets less interest	22,000	(3,000)
Contributions by employer	20,000	19,000
Contributions by scheme participants	6,000	6,000
Interest on assets	<u>9,000</u>	<u>7,000</u>
Fair value of scheme assets at 31 August 2016	<u>266,000</u>	<u>209,000</u>

20. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

There were no related party transactions for the year ended 31 August 2016.

21. FIRST YEAR ADOPTION

These financial statements, for the year ended 31 August 2016, are the first to be prepared in accordance with Financial Reporting Standard 102 (FRS 102). The date of transition is 1 September 2014.

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

RECONCILIATION OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants		8,956	5,114	14,070
Charitable activities		513,679	13,220	526,899
Other trading activities		19,494	(18,334)	1,160
Investment income		<u>105</u>	<u>-</u>	<u>105</u>
Total		542,234	-	542,234
EXPENDITURE ON				
Raising funds		27,747	(27,747)	-
Charitable activities		536,732	38,147	574,879
Governance costs		<u>6,400</u>	<u>(6,400)</u>	<u>-</u>
Total		570,879	4,000	574,879
NET EXPENDITURE		<u>(28,645)</u>	<u>(4,000)</u>	<u>(32,645)</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

RECONCILIATION OF FUNDS
AT 1 SEPTEMBER 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		<u>1,262,336</u>	-	<u>1,262,336</u>
		1,262,336	-	1,262,336
CURRENT ASSETS				
Debtors		1,515	-	1,515
Prepayments and accrued income		15,154	-	15,154
Cash at bank		<u>89,968</u>	-	<u>89,968</u>
		106,637	-	106,637
CREDITORS				
Amounts falling due within one year		(35,443)	-	(35,443)
NET CURRENT ASSETS		<u>71,194</u>	-	<u>71,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,333,530	-	1,333,530
PENSION LIABILITY		(133,000)	-	(133,000)
		<u>1,200,530</u>	-	<u>1,200,530</u>
FUNDS				
Unrestricted funds		28,140	-	28,140
Restricted funds		<u>1,172,390</u>	-	<u>1,172,390</u>
TOTAL FUNDS		<u>1,200,530</u>	-	<u>1,200,530</u>

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

RECONCILIATION OF FUNDS
AT 31 AUGUST 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,246,746	-	1,246,746
CURRENT ASSETS				
Debtors		12,229	-	12,229
Cash at bank		<u>88,325</u>	<u>-</u>	<u>88,325</u>
		100,554	-	100,554
CREDITORS				
Amounts falling due within one year		(30,415)	-	(30,415)
NET CURRENT ASSETS		<u>70,139</u>	<u>-</u>	<u>70,139</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,316,885	-	1,316,885
PENSION LIABILITY		(151,000)	-	(151,000)
NET ASSETS		<u>1,165,885</u>	<u>-</u>	<u>1,165,885</u>
FUNDS				
Unrestricted funds		31,090	-	31,090
Restricted funds		<u>1,134,795</u>	<u>-</u>	<u>1,134,795</u>
TOTAL FUNDS		<u>1,165,885</u>	<u>-</u>	<u>1,165,885</u>