

REGISTERED COMPANY NUMBER: 07847021 (England and Wales)

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR

GRAVENEY PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

WEDNESDAY



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20/12/2017

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COMPANIES HOUSE

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

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FOR THE YEAR ENDED 31 AUGUST 2017

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GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

MEMBERS

Mrs A Blackwell
B J Snashall
A H T Bowles

TRUSTEES

A H T Bowles (Local Councillor)
Mrs S A Dunkin (Administrative Assistant) (resigned 24.11.16,
reappointed 5.9.17)
R Kitto (Education Consultant)
B J Snashall (Accountant)
Mrs A Blackwell (Headteacher)
Mrs V L Keep (Registered Childminder)
Mrs D M Knibbs (School Manager)
Miss T C Goodsell (Teacher) (resigned 5.9.17)
L J Suter (Football Development Officer)
D J Leahy (Musician) (resigned 1.9.16)
D D Cavallina (Service Analyst It) (appointed 25.9.17)
Mrs M E Hewitt (Retired) (appointed 1.1.17)
Reverend G Y Reed (Reverend) (appointed 25.9.17)

Mrs Alison Blackwell, Miss Tracey Goodsell, Mrs Sarah Dunkin (resigned November 2016) 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)

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

AUDITORS

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

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2017**

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 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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 and Skills Funding Agency.

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 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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2017**

Strategic Report

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The School had 104 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 96.2%, with our pupil premium pupils achieving 94.1%. PPP in Year R-5 have exceeded the school target achieving 95.6% however due to the poor attendance of one pupil the overall average did not reach the target set, this shows the impact of one pupil's poor attendance on our overall average. Both attendance figures are very close to the challenging target for attendance set this year, there was an increase in parents requesting holidays during term time this year, these are recorded as unauthorised, unless there are exceptional circumstances.

There are currently 7.7% 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 87.5% of pupils making good or better progress in all areas. Progress in reading and Maths were 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, showing an increase to 87.5% 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% 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 93% of pupils achieving expected standards in Reading, Writing and Maths. The combined achievement for this groups was 85.7% achieving the expected standard in all 3 subjects. Pupils achieving Greater Depth in Key Stage 1 were also above national average with 35.7% achieving Reading, 14.3% Writing and 28.6% Maths, these were a slight drop compared to the previous year for all areas. The pupil Premium pupils in this cohort achieved the expected standard for combined RWM and also greater depth for Maths.

Results in Key Stage 2 showed a significant increase in pupils achieving the expected standards; Reading 87.5%, Writing 75%, GPS 87.5% and Maths 56.3%. The combined Reading, Writing and Maths for KS2 was 56.3%, this remains below the national average of 61%. Results in grammar, punctuation and spelling, writing and reading remain strongest with 50% of pupil premium pupils achieving the expected standard. Results for pupils achieving greater depth were significantly increased this year; Reading 25%, Writing 12.5%, GPS 25%, No pupils achieved this standard for Maths this year. Each pupil in this cohort represented 6.25%, with Pupil Premium being 50%.

Our value added progress scores have seen an increase to the following; -0.1 for reading, -1.3 for writing and -4.2 for maths. The school continues to address the progress and attainment of Maths as a school priority this year.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

Key financial performance indicators

Staff costs as a percentage of total income, excluding capital grants, for the year to 31 August 2017:

Teaching and educational support staff	58.77%
Other support staff	11.55%
Total staff	70.32%

The Academy's accounting period covers the year to 31 August 2017.

The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 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 ESFA. 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 Academy 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 16/17 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 17/18. The available funds held are considered more than adequate for the coming year at £59,197 (2016: £111,139) with £54,783 (2016: £57,836) held as unrestricted funds and £4,414 (2016: £53,303) as general restricted funds which are for use in the day-to-day running of the school. The Governors keep the level of the reserves under review.

The academy held fund balances at 31 August 2017 of £1,070,624 (2016: £1,054,891) comprising £1,216,841 of restricted funds (before accounting for the pension) (2016: £1,281,055) and £54,783 (2016: £57,836) of unrestricted general funds. Restricted funds (excluding restricted fixed asset funds) show a deficit at the year end of £196,586 (2016: £230,697) after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31 August 2017 was £201,000 (2016: £284,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2018. The combined balance of restricted general funds (excluding pension reserve) plus unrestricted funds at 31 August 2017 was £59,197 (2016: £111,139). The academy trust continues to strategically invest surplus reserves, above the target level of revenue reserves, into capital projects to improve the facilities of the school.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

Going concern

After making appropriate enquiries, the Board of Trustees 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.

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 company undertakes to contribute to the assets of the 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 Trustee, 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.

Principal activities

The principal activity of the Academy is to provide for the public benefit education by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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

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

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

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

There shall be a minimum of 2 Parent Trustees, elected by the Parent Members of the Advisory Bodies/Local Governing Bodies. Parent Trustees must be a parent of a registered pupil of Graveney Primary School or of one of the other local Academies. Any election of Parent Trustees 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 Trustees required will be made up of Parent Governors appointed by the Governing Body.

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

The Secretary of State may appoint Additional Trustees as he thinks fit if a warning notice has been given to the Trustees 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 Trustees 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 Trustees 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 Trustees as he thinks fit if a Special Measures Termination Event occurs.

Organisational structure

The Trustees 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 Trustees 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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 AUGUST 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

The induction provided for new Trustees 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 Trustee will be made available. Each new Trustee is also allocated a mentor Trustee 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 Trustees can access. The Academy will also employ bespoke trainers where deemed necessary. Training sessions for all Trustees are arranged at the School on appropriate topics, usually once per year. A Trustee is designated to oversee and collate the training records and to arrange bespoke sessions. Trustees are also invited by the Headteacher to attend Staff training sessions, where appropriate.

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.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Trustees hold no funds as custodian trustee.

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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

AUDITORS

In so far as the trustees are aware:

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

Report of the Trustees, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 23 November 2017 and signed on its behalf by:



B J Snashall - Accountant

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2017**

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

Russell Kitto ~ Governor ~ Chair

Responsible for: Attainment/learning/progress, Leadership & Management, Headteacher Appraisal, AEN/CP/Safeguarding, Personal Development & Wellbeing inc ECM, Appeals Panel.

Andrew Bowles ~ Governor ~ Vice Chair

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

Responsible for: Budget Monitoring, Leadership & Management, Parish Council contact, Health & Safety, Headteacher Appraisal, Appeals Panel.

Lee Suter~ Parent Governor ~ Vice Chair

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

Barry Snashall ~ Governor

Responsible for: Budget Monitoring, Attainment/Learning/Progress, Leadership & Management, Headteacher Appraisal, Safeguarding Governor.

Alison Blackwell ~ Headteacher Governor (Principal)

Responsible for: Teaching & Assessment, Leadership & Management

Tracey Goodsell ~ Staff Governor

Responsible for: Teaching & Assessment, Leadership & Management

Mary Hewitt ~ Governor

Responsible for: SEN, Leadership & Management, Early Years Goals

Dreena Knibbs ~ Staff Governor

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

Sarah Dunkin ~ Staff Governor

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

Vicky Keep ~ Parent Governor

Responsible for: Shadow Chair, Early Years Goals , Leadership & Management, Safeguarding Governor.

Trustee	Meetings attended	Out of a possible
A Blackwell (headteacher)	6	6
A Bowles	3	6
S Dunkin (staff trustee)	2	2
R Kitto	5	6
D Knibbs (staff trustee)	6	6
T Goodsell (staff trustee)	5	6
B Snashall (chairman)	4	6
V Keep *	3	6
L Suter	5	6
M Hewitt	4	4
D Leahy	1	1

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

Review of Value for Money

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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT **FOR THE YEAR ENDED 31 AUGUST 2017**

Review of Value for Money – continued

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 continued to invest in additional assessment materials including assessment in reading and maths which had been identified as an area of weakness in the school improvement plan. 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 and has successfully achieved the Gold Artsmark Award this year, following the successful improvements and investment in our Arts curriculum over the past 2 years.

During 2016-17 the school has once again faced challenges with staffing changes and recruitment of staff. The school successfully recruited NQT to teach in KS2, however this appointment resigned after only one term; a new NQT was appointed and started in January 2017. The school also invested heavily in the appointment of a temporary teacher (through a supply contract) to provide additional booster lessons and support in our upper KS2 class where 55% of our Pupil Premium Pupils were being taught.

The school has had another very successful year with sports, once again achieving the School Games Gold Award. Pupil participation in games and sports clubs is healthy, with the school introducing new clubs and also competitions this year including Tri-Golf and Tennis. Participation in our sports clubs saw a small drop this year (due to the introduction of Animal Club).

The school has successfully achieved the Silver Science Quality Mark this year; which recognises the active development of Science throughout the school. The profile of Science has been significantly increased through this spending and staff development and confidence in teaching has been increased by achieving this external validation.

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 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 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 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 trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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;

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

The Risk and Control Framework

- 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 and includes:

- Testing of payroll systems;
- Testing of purchasing/payment systems;
- Checking the tendering process in accordance with internal regulations;
- Review income receipts;
- Review bank reconciliations and control account reconciliations;
- Review procedures used to prepare reports to trustees and other financial returns;
- Check procedures for staff expense claims and petty cash claims;
- Review information reported to trustees.

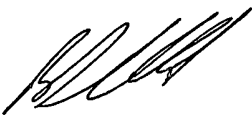
Review of Effectiveness

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.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources and Finance Committee (includes audit) and ensure that continuous review and improvement of the system is in place.

Approved by order of the members of the board of trustees on 23 November 2017 and signed on its behalf by:



B J Snashall - Trustee



Alison Blackwell - Accounting Officer

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Graveney Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2016.

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



.....
Alison Blackwell - Accounting Officer

Date: 23 November 2017

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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

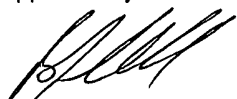
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 and the Academies Accounts Direction 2016-17;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 23 November 2017 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)**

Opinion

We have audited the financial statements of Graveney Primary School (the 'charitable company') for the year ended 31 August 2017, which comprise the Statement of Financial Activities, Balance Sheet, 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), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Trustees 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

Responsibilities of trustees

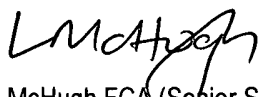
As explained more fully in the Statement of Trustees Responsibilities set out on page sixteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true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

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust 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.



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

Date: 23 November 2017

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

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graveney Primary School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Graveney 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 Graveney 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 Graveney Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 internal auditor performing additional system checks during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the Board of Trustees and the occurrence of transactions with connected parties;
- Review of fixed asset transactions against the requirements of the funding agreement between Shirley High School and the Secretary of State for Education 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, minutes of meetings 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 AND SKILLS FUNDING AGENCY

- 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Liam McHugh FCA (Reporting Accountant)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 23 November 2017

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.17 Total funds £	31.8.16 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	5,901	-	5,204	11,105	9,251
Charitable activities						
Funding for the academy's educational operations	3	25,813	506,066	-	531,879	547,976
Other trading activities	4	-	-	-	-	556
Investment income	5	82	-	-	82	118
Total		31,796	506,066	5,204	543,066	557,901
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		34,849	565,724	39,760	640,333	551,895
Total	6	34,849	565,724	39,760	640,333	551,895
NET INCOME/(EXPENDITURE)		(3,053)	(59,658)	(34,556)	(97,267)	6,006
Transfers between funds	17	-	(19,231)	19,231	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes	18	-	113,000	-	113,000	(117,000)
Net movement in funds		(3,053)	34,111	(15,325)	15,733	(110,994)
RECONCILIATION OF FUNDS						
Total funds brought forward		57,836	(230,697)	1,227,752	1,054,891	1,165,885
TOTAL FUNDS CARRIED FORWARD		54,783	(196,586)	1,212,427	1,070,624	1,054,891

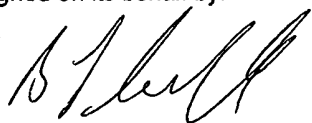
The notes form part of these financial statements

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

BALANCE SHEET
AT 31 AUGUST 2017

	Notes	31.8.17 £	31.8.16 £
FIXED ASSETS			
Tangible assets	12	1,212,427	1,227,752
CURRENT ASSETS			
Debtors	13	17,092	17,540
Cash at bank		<u>84,249</u>	<u>109,989</u>
		101,341	127,529
CREDITORS			
Amounts falling due within one year 14		<u>(42,144)</u>	<u>(16,390)</u>
NET CURRENT ASSETS		<u>59,197</u>	<u>111,139</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,271,624	1,338,891
PENSION LIABILITY	18	<u>(201,000)</u>	<u>(284,000)</u>
NET ASSETS		<u><u>1,070,624</u></u>	<u><u>1,054,891</u></u>
FUNDS	17		
Unrestricted funds:			
General funds		54,783	57,836
Restricted funds			
Pension reserve		(201,000)	(284,000)
General funds		4,414	53,303
Fixed asset funds		<u>1,212,427</u>	<u>1,227,752</u>
		<u>1,015,841</u>	<u>997,055</u>
TOTAL FUNDS		<u><u>1,070,624</u></u>	<u><u>1,054,891</u></u>

The financial statements on pages twenty one to forty two were approved by the Board of Trustees on 23 November 2017 and were signed on its behalf by:



Trustee - Mr. B. J. Snashall

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 2017

	Notes	31.8.17 £	31.8.16 £
Cash flows from operating activities:			
Cash generated from operations	1	(6,502)	35,765
Interest paid		<u>(89)</u>	<u>(64)</u>
Net cash provided by (used in) operating activities		<u>(6,591)</u>	<u>35,701</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(24,435)	(19,325)
Capital grants from DfE/ESFA		5,204	5,170
Interest received		<u>82</u>	<u>118</u>
Net cash provided by (used in) investing activities		<u>(19,149)</u>	<u>(14,037)</u>
Change in cash and cash equivalents in the reporting period		<u>(25,740)</u>	<u>21,664</u>
Cash and cash equivalents at the beginning of the reporting period		<u>109,989</u>	<u>88,325</u>
Cash and cash equivalents at the end of the reporting period		<u><u>84,249</u></u>	<u><u>109,989</u></u>

The notes form part of these financial statements

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

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

	31.8.17	31.8.16
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(97,267)	6,006
Adjustments for:		
Depreciation	39,760	38,319
Capital grants from DfE/ESFA	(5,204)	(5,170)
Interest received	(82)	(118)
Interest paid	89	64
Decrease/(increase) in debtors	448	(5,310)
Increase/(decrease) in creditors	25,754	(14,026)
Difference between pension charge and cash contributions	<u>30,000</u>	<u>16,000</u>
Net cash provided by (used in) operating activities	<u>(6,502)</u>	<u>35,765</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Graveney 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. Having reviewed budget forecasts and the letter of funding issued by the ESFA, the Governors are confident that the use of going concern is appropriate.

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.

• 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust 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.

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. 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.

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.

Taxation

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

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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 ESFA.

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.

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, 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 note 24, 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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

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.

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 voluntary 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Donations	5,901	-	5,901	4,081
Devolved capital grants	-	5,204	5,204	5,170
	<u>5,901</u>	<u>5,204</u>	<u>11,105</u>	<u>9,251</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	456,071	456,071	459,651
Other DfE/ESFA Grants	<u>-</u>	<u>41,280</u>	<u>41,280</u>	<u>49,635</u>
	-	497,351	497,351	509,286
Other government grant				
Local Authority grants	-	8,715	8,715	14,342
Other income from the academy trust's educational operations	<u>25,813</u>	<u>-</u>	<u>25,813</u>	<u>23,652</u>
	<u>25,813</u>	<u>506,066</u>	<u>531,879</u>	<u>547,280</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Cycle to Work Scheme	<u>-</u>	<u>-</u>	<u>-</u>	<u>556</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Deposit account interest	<u>82</u>	<u>-</u>	<u>82</u>	<u>118</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

6. EXPENDITURE

				31.8.17	31.8.16
	Staff costs	Non-pay expenditure			
	£	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academies educational operations					
Direct costs	331,966	17,554	102,753	452,273	360,026
Allocated support costs	<u>88,022</u>	<u>36,118</u>	<u>63,920</u>	<u>188,060</u>	<u>191,869</u>
	<u>419,988</u>	<u>53,672</u>	<u>166,673</u>	<u>640,333</u>	<u>551,895</u>

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

	31.8.17	31.8.16
	£	£
Auditor's remuneration	4,450	5,100
Auditor's fees, non-audit work	500	500
Depreciation - owned assets	39,760	38,319
Hire of plant and machinery	<u>294</u>	<u>-</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

			31.8.17	31.8.16
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Direct costs	17,800	434,473	452,273	360,026
Support costs	<u>17,049</u>	<u>171,011</u>	<u>188,060</u>	<u>191,869</u>
	<u>34,849</u>	<u>605,484</u>	<u>640,333</u>	<u>551,895</u>

	31.8.17	31.8.16
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	88,022	91,222
Depreciation	3,902	3,636
Technology costs	-	8,109
Premises costs	36,118	31,590
Other support costs	55,068	51,712
Governance costs	<u>4,950</u>	<u>5,600</u>
Total support costs	<u>188,060</u>	<u>191,869</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

8. 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	(2016: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000	(2016: £5,000 - £10,000)
Dreena Knibbs (staff trustee)		
Remuneration	£35,000 - £40,000	(2016: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2016: £5,000 - £10,000)
Sarah Dunkin (staff trustee, resigned 24.11.16 so pro rated)		
Remuneration	£0 - £5,000	(2016: £10,000 - £15,000)
Employer's pension contributions	£0 - £5,000	(2016: £0 - £5,000)
Tracey Goodsell (staff trustee)		
Remuneration	£35,000 - £40,000	(2016: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2016: £5,000 - £10,000)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

	31.8.17	31.8.16
	£	£
Wages and salaries	291,827	268,017
Social security costs	22,807	20,609
Other pension costs	42,657	41,089
Operating costs of LGPS	<u>30,000</u>	<u>16,000</u>
	387,291	345,715
Supply teacher costs	26,571	14,097
Supply teacher insurance	<u>6,126</u>	<u>-</u>
	<u>419,988</u>	<u>359,812</u>

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

	31.8.17	31.8.16
Teaching and educational support	8	9
Administration and support	5	6
Management	<u>2</u>	<u>2</u>
	<u>15</u>	<u>17</u>

No employees received emoluments in excess of £60,000 in the year to 31 August 2017 or in the year to 31 August 2016.

Key Management Personnel

The key management personnel of the academy trust comprise the trustees. The Head 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 £160,768 (2016: £169,413).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees 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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

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	4,081	-	5,170	9,251
Charitable activities				
Funding for the academy's educational operations	23,052	524,924	-	547,976
Other trading activities	556	-	-	556
Investment income	<u>118</u>	<u>-</u>	<u>-</u>	<u>118</u>
Total	27,807	524,924	5,170	557,901
 EXPENDITURE ON Charitable activities				
Academy's educational operations	<u>1,061</u>	<u>512,514</u>	<u>38,320</u>	<u>551,895</u>
Total	<u>1,061</u>	<u>512,514</u>	<u>38,320</u>	<u>551,895</u>
 NET INCOME/(EXPENDITURE)	26,746	12,410	(33,510)	6,006
Transfers between funds	-	(14,156)	14,156	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(117,000)</u>	<u>-</u>	<u>(117,000)</u>
Net movement in funds	26,746	(118,746)	(18,994)	(110,994)
 RECONCILIATION OF FUNDS				
Total funds brought forward	<u>31,090</u>	<u>(111,951)</u>	<u>1,246,746</u>	<u>1,165,885</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>57,836</u></u>	<u><u>(230,697)</u></u>	<u><u>1,227,752</u></u>	<u><u>1,054,891</u></u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2016	1,301,023	11,940	56,386	1,369,349
Additions	<u>8,451</u>	<u>1,138</u>	<u>14,846</u>	<u>24,435</u>
At 31 August 2017	<u>1,309,474</u>	<u>13,078</u>	<u>71,232</u>	<u>1,393,784</u>
DEPRECIATION				
At 1 September 2016	101,694	5,003	34,900	141,597
Charge for year	<u>22,796</u>	<u>2,509</u>	<u>14,455</u>	<u>39,760</u>
At 31 August 2017	<u>124,490</u>	<u>7,512</u>	<u>49,355</u>	<u>181,357</u>
NET BOOK VALUE				
At 31 August 2017	<u>1,184,984</u>	<u>5,566</u>	<u>21,877</u>	<u>1,212,427</u>
At 31 August 2016	<u>1,199,329</u>	<u>6,937</u>	<u>21,486</u>	<u>1,227,752</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17 £	31.8.16 £
Other debtors	325	278
VAT	7,608	4,437
Prepayments and accrued income	<u>9,159</u>	<u>12,825</u>
	<u>17,092</u>	<u>17,540</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17 £	31.8.16 £
Trade creditors	23,629	2,379
Accruals and deferred income	<u>18,515</u>	<u>14,011</u>
	<u>42,144</u>	<u>16,390</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

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

	31.8.16
	£
Deferred income	
Deferred income at 1 September 2016	8,161
Released from prior years	(8,161)
Resources deferred in the year	<u>6,501</u>
	<u>6,501</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips of £nil (2016: £1,660) and free school meals of £6,501 (2016: £6,501).

15. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	31.8.17	31.8.16
	£	£
Amounts due within one year	1,624	1,624
Amounts due between one and five years	<u>4,369</u>	<u>5,993</u>
	<u>5,993</u>	<u>7,617</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted funds	Restricted fixed	31.8.17	31.8.16
	fund		asset funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	-	1,212,427	1,212,427	1,227,752
Current assets	54,783	46,558	-	101,341	127,529
Current liabilities	-	(42,144)	-	(42,144)	(16,390)
Pension liability	-	(201,000)	-	(201,000)	(284,000)
	<u>54,783</u>	<u>(196,586)</u>	<u>1,212,427</u>	<u>1,070,624</u>	<u>1,054,891</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

17. MOVEMENT IN FUNDS

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	51,603	456,071	(484,195)	(19,231)	4,248
Other DfE/ESFA grants	1,700	41,280	(42,814)	-	166
Other government grants	-	8,715	(8,715)	-	-
Pension reserve	<u>(284,000)</u>	<u>-</u>	<u>(30,000)</u>	<u>113,000</u>	<u>(201,000)</u>
	<u>(230,697)</u>	<u>506,066</u>	<u>(565,724)</u>	<u>93,769</u>	<u>(196,586)</u>
Restricted fixed asset funds					
Inherited assets	1,174,995	-	(23,039)	-	1,151,956
DfE/ESFA capital grants	39,361	5,204	(14,036)	19,231	49,760
Capital expenditure from GAG	<u>13,396</u>	<u>-</u>	<u>(2,685)</u>	<u>-</u>	<u>10,711</u>
	<u>1,227,752</u>	<u>5,204</u>	<u>(39,760)</u>	<u>19,231</u>	<u>1,212,427</u>
Total restricted funds	<u>997,055</u>	<u>511,270</u>	<u>(605,484)</u>	<u>113,000</u>	<u>1,015,841</u>
Unrestricted funds					
General fund	<u>57,836</u>	<u>31,796</u>	<u>(34,849)</u>	<u>-</u>	<u>54,783</u>
Total funds	<u>1,054,891</u>	<u>543,066</u>	<u>(640,333)</u>	<u>113,000</u>	<u>1,070,624</u>

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 2017.

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.

Transfers between funds

A total of £19,231 was transferred to Restricted Fixed Asset funds from GAG in order to cover the cost of capital expenditure carried out during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

18. PENSION AND SIMILAR OBLIGATIONS

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

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

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

Teachers' pension scheme

Introduction

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

18. PENSION AND SIMILAR OBLIGATIONS
- continued

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £35,764 (2016: £28,751).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2017 was £28,000 (2016: £26,000), of which employer's contributions totalled £22,000 (2016: £20,000) and employees' contributions totalled £6,000 (2016: £6,000). The agreed contribution rates for future years are 19.8 per cent for employers and 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.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

18. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Present value of funded obligations	(537,000)	(550,000)
Fair value of plan assets	<u>336,000</u>	<u>266,000</u>
	<u>(201,000)</u>	<u>(284,000)</u>
Deficit	<u>(201,000)</u>	<u>(284,000)</u>
Liability	<u>(201,000)</u>	<u>(284,000)</u>

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

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Current service cost	46,000	31,000
Net interest from net defined benefit asset/liability	<u>6,000</u>	<u>5,000</u>
	<u>52,000</u>	<u>36,000</u>
Actual return on plan assets	<u>2,000</u>	<u>9,000</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

18. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Defined benefit obligation	550,000	360,000
Current service cost	46,000	31,000
Contributions by scheme participants	6,000	6,000
Interest cost	12,000	14,000
Experience loss/(gain)	(42,000)	-
Change in financial assumption	<u>(35,000)</u>	<u>139,000</u>
	<u>537,000</u>	<u>550,000</u>

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

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Fair value of scheme assets	266,000	209,000
Return on assets less interest	40,000	22,000
Contributions by employer	22,000	20,000
Contributions by scheme participants	6,000	6,000
Interest on assets	6,000	9,000
Actuarial gains/(losses)	<u>(4,000)</u>	<u>-</u>
	<u>336,000</u>	<u>266,000</u>

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

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Actuarial gains/(losses)	<u>113,000</u>	<u>(117,000)</u>
	<u>113,000</u>	<u>(117,000)</u>

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

18. 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	
	31.8.17	31.8.16
Equities	70%	68%
Gilts	1%	1%
Other Bonds	10%	11%
Property	12%	14%
Cash	3%	2%
Target return portfolio	4%	4%

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

	31.8.17	31.8.16
Discount rate	2.6%	2.1%
Future salary increases	4.2%	4.1%
Future pension increases	2.7%	2.3%
CPI Increases	2.7%	2.3%
RPI Increases	3.6%	3.2%
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:

	31.8.17	31.8.16
Retiring today		
Males	23.0	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

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	527,000	537,000	547,000
Projected service cost	46,000	47,000	48,000
Adjustment to mortality age rating assumption	+ 1 year	None	- 1 year
Present value of total obligation	554,000	537,000	520,000
Projected service cost	48,000	47,000	46,000

GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017 other than certain trustees' remuneration and expenses already disclosed in note 8.

20. 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.