Company Registration Number: 09483921 (UK)

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Diocesan Financial Secretary
Vicar General
Chair of Governors

Trustees

Dr I F Wilson, Chair of Trustees[1,2]
Sr E M Boles[1]
Mrs S L Browning[1]
Rev B Chalkley, Vice Chair of Trustees, Chair of Business Premises and Personnel Committee[1]
Mrs C M Crabtree[2]
Dr J Doyle (resigned 18 September 2017)[1,2]
Mrs Y E Forshaw (resigned 18 September 2017)[2]
Miss C Hollands[2]
Mrs C Grainger[1]
Mrs M James[1]
Mr J-B Jugand[1]
R Langford[1,2]
Mrs J A Low, Chair of Standards and Curriculum Committee[2]
Mrs S Cavanagh (appointed 4 June 2018)[2]
Mr M Warner (appointed 1 September 2018)

[1] Business Premises and Personnel Committee
[2] Standards and Curriculum Committee

Company registered number

09483921

Company name

Holy Innocents Catholic Primary School

Principal and registered office

Mitchell Road, Orpington, Kent, BR6 9JT

Company secretary

Ms S L Browning

Independent auditor

Knill James, One Bell Lane, Lewes, East Sussex, BN7 1JU

Bankers

Lloyds Bank Plc, 177-179 High Street, Orpington, Kent, BR6 0LJ

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 5 to 11 serving a catchment area including the Roman Catholic parishes of Holy Innocents (Orpington), St Michael and All Angels (Locksbottom) and St Theresa (Biggin Hill). It has a standard pupil capacity of 210 and had a roll of 218 in the school census in August 2018. From September 2018, the Academy will be operating a Preschool, increasing the age range to 4 to 11 and increasing the capacity by 24.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Holy Innocents Catholic Primary School, this also being the name of the Academy Trust and the Academy/School.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. 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 £1 , for the debts and liabilities contracted before they ceased to be a member.

c. Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees, known usually as the Governing Body, comprises three different classes of Governor. Foundation Governors, of which there can be up to eight, are appointed by the Archdiocese of Southwark; Staff Governors, of which there are up to two, are nominated by the school; Parent Governors, of which there can be two, are elected by the parents. In addition the Head Teacher is a member of the Governing Body.

d. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters.

All Trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role.

In addition to purchasing trustee training from Octavo Partnership in Croydon, we also subscribe to trustee courses provided by the Archdiocese of Southwark.

e. Arrangements for setting pay and remuneration of key management personnel

The Trust does not have provision to make any payment to a trustee other than when these arise due to employment by the school, when they are subject to the normal salary structure, or when they apply to service performed under a commercial contract. There are no plans to introduce payment for trustees.

The pay for the Head Teacher is set by reference to a Performance Review, referring to targets set by a sub group of the Governing Body assisted by an external consultant. Pay is set in accordance with standard Teachers' Pay Scales and Allowances according to Leadership Group Pay Range for the size of the school.

f. Organisational Structure

Holy Innocents Catholic Primary School is a single academy trust. The strategic direction of the school rests with the Governing Body, who are also the directors of the company. The terms trustee, director and governor should be regarded as the same for the purposes of this report. There is limited delegation to two committees, the Business, Premises and Personnel Committee and the Standards and Curriculum Committee. This delegation is defined by Terms of Reference approved annually by the Governing Body. The day to day direction of the school is delegated to the Head Teacher, who is the accounting officer for the Trust, as defined by a Scheme of Delegation approved by the Governing Body.

g. Related Parties and other Connected Charities and Organisations

The Trust is a member of the Bromley Catholic Schools Trust, usually referred to as the Umbrella Trust, which operates as a means of co-operation, sharing of resources and exchange of good practice. The Umbrella Trust has no power to direct Holy Innocents Catholic Primary School in its day to day or strategic operations.

The Trust is under the direction in certain aspects of the Archdiocese of Southwark Education Commission but does not have any formal connection with any other charity or organisation that can direct the Trust or can be required to operate at the direction of the Trust.

h. Trustees' Indemnities

The academy trust has not entered into any qualifying third party indemnity provisions that require disclosure under the Companies Act 2006 s236.

Objectives and Activities

a. Objects and Aims

The academy trust exists solely to operate Holy Innocents Catholic Primary School, to provide a high standard of primary education to children in the 5 to 11 year age range subject to its published admissions criteria. As a Catholic School its mission is to ensure a happy and secure learning environment founded on the teaching of Christ and His Church, where we celebrate and respect diversity within our community and strive for the highest standards in all we do.

b. Objectives, Strategies and Activities

The schools general objective is to progress towards the outstanding category of schools, as assessed by OFSTED and other performance criteria. This is approached by building on existing areas of strength whilst identifying and correcting areas of weakness. In the year under review the school targeted its performance in writing.

As part of this strategy the aim is for all teaching to be classed as Good or Outstanding by external observation.

c. Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Throughout the year under review the school has continued to operate for the education for the education of primary aged children within the local community. Although Holy Innocents is a Roman Catholic school it accepts children from all faiths, or none, regarding the fact that it is a multi-faith, multi-cultural school as one of its strengths, reaffirming its service to the wider community.

Achievements and performance

During the period since its conversion the school has shown considerable evidence of success.

Key Performance Indicators
The school was inspected by Ofsted in November 2017 by two of Her Majesty's Inspectors and was judged to be GOOD overall with OUTSTANDING Personal Development, Welfare and Behaviour of Pupils.

Key stage results have continued to be good and well above the national average and broadly in line with Bromley Schools average. Indicators are set out below:-

KS2 Reading, Writing and Maths Combined Score

Holy Innocents	76%
Bromley Schools Average	74%
National Average	64%

KS1 Reading, Writing and Maths Combined Score

Holy Innocents	81%
Bromley Schools Average	71%
National Average	70%

EYFS Good Level of Development

Holy Innocents	73%
Bromley Schools Average	77%
National Average	71.5%

Financial review

The majority of the academy trust's income comes from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The restricted fund income for the period amounted to £1,052,735. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Restricted fund expenditure amounted to £1,062,178. The net deficit amounted to £9,443.

The value of fixed assets at 31 August 2018 was £4,601,981.

The net assets amounted to £4,687,963 which includes a Local Government Pension Scheme (LGPS) liability of £84,000 as shown in note 21.

a. Going Concern

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

b. Principal Risks and Uncertainties

The principal risks and uncertainties for the school are changes in government funding strategy or a reduction in the number of pupils for admission. Short term risks can arise due to variations in cash flow but current policies normally see major sources of income received in advance of expenditure demands.

Longer term risks may arise due to the deterioration of buildings but this is managed as far as possible by a robust maintenance strategy.

c. Reserves Policy

At 31 August 2018 the academy had reserves of £4,687,963, including a fixed asset reserve of £4,601,981. Unrestricted reserves stood at £85,574 at the year end.

There were no designated reserves, the full amount of unrestricted reserves being available for general purposes. The unrestricted reserves at 31 August 2018 represent less than one month's normal expenditure.

The Academy's Reserves Policy permits it to hold up to three months expenditure at any time above which the Head Teacher should confer with the governing body regarding use of excess funds.

d. Investment Policy

The funds available to the academy trust are normally intended to be expended in the year of receipt, such that no significant build-up of cash is anticipated for investment. Excess cash from time to time is held on the Trust's current account and there are no plans for longer term investment of funds.

Plans for Future Periods

The budget for 2018-19 shows a reduced income due to reduction in funding leading to a small deficit contained by brought forward reserves. The aims and objectives remain unchanged and will need to continue to be achieved with existing resources with the Preschool anticipated to become a net contributor by 2019-20.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held on behalf of third parties.

Disclosure of information to the auditor

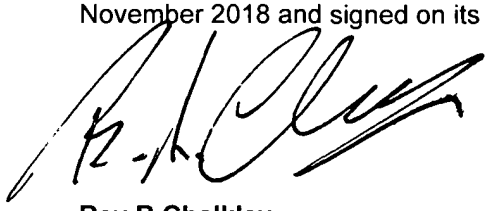
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Knill James, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 26 November 2018 and signed on its behalf by:



Rev B Chalkley
Vice Chair of Governors

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Holy Innocents Catholic Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Dr I F Wilson, Chair of Trustees	3	4
Sr E M Boles	4	4
Mrs S L Browning	3	4
Rev B Chalkley, Vice Chair of Trustees, Chair of Business Premises and Personnel Committee	4	4
Mrs C M Crabtree	4	4
Miss C Hollands	4	4
Mrs C Grainger	4	4
Mrs M James	4	4
Mr J-B Jugand	4	4
R Langford	4	4
Mrs J A Low, Chair of Standards and Curriculum Committee	4	4
Mrs S Cavanagh	1	3

The **Business, Premises and Personnel Committee** is a sub-committee of the Governing Body. Its purposes are set out in its Terms of Reference but can be summarised as overseeing the business and financial aspects of the Academy Trust. This is the responsible committee for audit issues.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Sr E M Boles	3	3
Mrs S L Browning	3	3
Rev B Chalkley	3	3
Mrs C Grainger	3	3
R Langford	3	3
Mr J-B Jugand	3	3
Mr I Wilson	3	3
Mrs M James	3	3

GOVERNANCE STATEMENT (continued)

The Standards and Curriculum Committee is also a sub-committee of the Governing Body. Its purposes are set out in its Terms of Reference but can be summarised as overseeing the academic performance of the school.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Crabtree	3	3
Miss C Hollands	3	3
Mrs S Cavanagh	0	1
R Langford	3	3
Mrs J A Low	3	3
I F Wilson	3	3

The governing body was operating one foundation governor below establishment for a large part of the year, Mr Marcus Warner has been appointed since September 2018.

REVIEW OF VALUE FOR MONEY

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

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

- Changing supplies for utility services;
- Increasing use of online purchasing to achieve best prices;
- Entering into negotiations to change contracts for photocopying and printing;
- Extending the range of supplies of goods and services for competitive pricing;
- Continuingly reviewing the staffing structure for effectiveness and cost;
- Achieving outstanding results at all key stages without significant increase in staffing or other costs.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- testing of petty cash controls;
- testing of lettings system;
- testing of control account/bank reconciliations.

The internal auditor reports on a termly basis to the board of trustees through the Business, Premises and Personnel Committee on the operation of financial controls and on the discharge of the board of trustees' financial responsibilities. The School Business Manager has prepared an Audit Action Plan in response to the initial report by the internal auditor for presentation to the Business, Premises & Personnel committee.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 auditor;
- the work of the external auditor;
- the work of the School Business Manager and others 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 Business, Premises and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 26 November 2018 and signed on their behalf, by:

Rev B Chalkley
Vice Chair of Governors

R Langford
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2017.

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

R Langford
Accounting Officer

Date: 26 November 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 26 November 2018 and signed on its behalf by:



Rev B Chalkley
Trustee

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Knill James

Susan Foster FCA (Senior statutory auditor)

for and on behalf of

Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU
Date: 5th December 2018

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Innocents Catholic Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Holy Innocents Catholic Primary School's funding agreement with the Secretary of State for Education dated 1 April 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

Our normal audit procedures do provide assurance with regard to the regularity engagement, however some additional testing has been undertaken. This included:

- direct consideration and corroboration of evidence used to inform the Accounting Officer's statements;
- extension of procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities (if any) has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of the adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control (if any) represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts;
- extension of testing to other funds, activities conducted, consideration of propriety, or the review of high level financial controls.

CONCLUSION

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

Knill James

Susan Foster FCA

Knill James

Chartered Accountants

One Bell Lane
Lewes
East Sussex
BN7 1JU

Date: 5th December 2018

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
INCOME FROM:						
Donations and capital grants	2	**15,922**	**-**	**6,430**	**22,352**	*315,637*
Charitable activities	3	**-**	**1,015,414**	**-**	**1,015,414**	*1,023,443*
Other trading activities	4	**71,394**	**37,321**	**-**	**108,715**	*50,503*
Investments	5	**117**	**-**	**-**	**117**	*126*
TOTAL INCOME		**87,433**	**1,052,735**	**6,430**	**1,146,598**	*1,389,709*
EXPENDITURE ON:						
Raising funds		**68,751**	**-**	**-**	**68,751**	*16,697*
Charitable activities		**-**	**1,062,178**	**16,574**	**1,078,752**	*1,386,144*
TOTAL EXPENDITURE	7	**68,751**	**1,062,178**	**16,574**	**1,147,503**	*1,402,841*
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		**18,682**	**(9,443)**	**(10,144)**	**(905)**	*(13,132)*
Transfers between Funds	17	**-**	**3,650**	**(3,650)**	**-**	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		**18,682**	**(5,793)**	**(13,794)**	**(905)**	*(13,132)*
Actuarial gains on defined benefit pension schemes	21	**-**	**52,000**	**-**	**52,000**	*28,000*
NET MOVEMENT IN FUNDS		**18,682**	**46,207**	**(13,794)**	**51,095**	*14,868*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**65,892**	**(44,799)**	**4,615,775**	**4,636,868**	*4,622,000*
TOTAL FUNDS CARRIED FORWARD		**84,574**	**1,408**	**4,601,981**	**4,687,963**	*4,636,868*

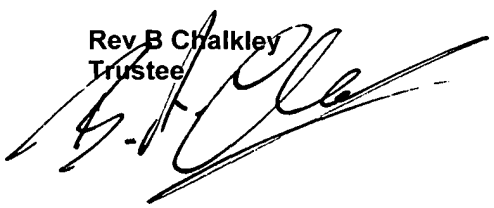
The notes on pages 20 to 41 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		**4,601,981**		*4,615,775*
CURRENT ASSETS					
Debtors	14	**50,561**		*156,534*	
Cash at bank and in hand		**173,698**		*196,130*	
		224,259		*352,664*	
CREDITORS: amounts falling due within one year	15	**(54,277)**		*(221,571)*	
NET CURRENT ASSETS			**169,982**		*131,093*
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,771,963**		*4,746,868*
Defined benefit pension scheme liability	21		**(84,000)**		*(110,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**4,687,963**		*4,636,868*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	**85,408**		*65,201*	
Restricted fixed asset funds	17	**4,601,981**		*4,615,775*	
Restricted income funds excluding pension liability		**4,687,389**		*4,680,976*	
Pension reserve		**(84,000)**		*(110,000)*	
Total restricted income funds			**4,603,389**		*4,570,976*
Unrestricted income funds	17		**84,574**		*65,892*
TOTAL FUNDS			**4,687,963**		*4,636,868*

The financial statements on pages 17 to 41 were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:

Rev B Chalkley
Trustee



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	**(20,419)**	*31,543*
Cash flows from investing activities:			
Dividends, interest and rents from investments		**767**	*3,440*
Purchase of tangible fixed assets		**(2,780)**	-
Net cash (used in)/provided by investing activities		**(2,013)**	*3,440*
Change in cash and cash equivalents in the year		**(22,432)**	*34,983*
Cash and cash equivalents brought forward		**196,130**	*161,147*
Cash and cash equivalents carried forward	20	**173,698**	*196,130*

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Holy Innocents Catholic Primary School constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	-	125 years straight line
Furniture and fixtures	-	5% Straight line
Computer equipment	-	33% Straight line

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

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 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.

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation
The academy exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	*Total funds 2017* £
Donations	**15,922**	**-**	**-**	**15,922**	*13,564*
Capital Grants	**-**	**-**	**6,430**	**6,430**	*302,073*
	15,922	**-**	**6,430**	**22,352**	*315,637*
Total 2017	*13,564*	*295,654*	*6,419*	*315,637*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
DfE/ESFA grants			
General Annual Grant	**920,014**	**920,014**	*926,484*
Pupil premium	**23,508**	**23,508**	*23,320*
Rates relief	**3,681**	**3,681**	*3,454*
Sports funding	**18,347**	**18,347**	*8,700*
Infant Free School Meals	**36,271**	**36,271**	*37,145*
	1,001,821	**1,001,821**	*999,103*
Other government grants			
Teachers insurance cover	**-**	**-**	*1,999*
High needs SEN	**13,043**	**13,043**	*21,841*
Additional funding	**550**	**550**	*500*
	13,593	**13,593**	*24,340*
	1,015,414	**1,015,414**	*1,023,443*
Total 2017	*1,023,443*	*1,023,443*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Catering income	**-**	**37,321**	**37,321**	*34,671*
Hire of facilities	**650**	**-**	**650**	*3,314*
Educational visits and school clubs	**70,744**	**-**	**70,744**	*12,518*
	71,394	**37,321**	**108,715**	*50,503*
Total 2017	*15,832*	*34,671*	*50,503*	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Interest receivable	**117**	**-**	**117**	*126*
Total 2017	*126*	*-*	*126*	

6. CHARITABLE ACTIVITIES

	Total funds 2018 £	*Total funds 2017 £*
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**516,070**	*541,617*
National insurance	**44,802**	*41,330*
Pension cost	**95,069**	*86,252*
Educational supplies	**33,899**	*27,057*
Staff development	**7,194**	*7,897*
Staff related insurance	**2,543**	*4,314*
Educational consultancy	**39,578**	*42,065*
Technology costs	**9,251**	*8,669*
	748,406	*759,201*
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	**66,324**	*63,700*
National insurance	**5,751**	*5,418*
Pension cost	**38,438**	*35,198*
Depreciation	**16,574**	*16,229*
Pension interest	**2,000**	*2,000*
Recruitment costs	**1,324**	*14,358*
Maintenance of premises	**30,093**	*320,959*
Energy	**17,519**	*17,407*
Rates and water	**7,340**	*6,151*
Cleaning	**17,306**	*15,009*
Other support costs	**3,706**	*3,397*
Maintenance of equipment	**5,051**	*4,362*
Catering	**71,468**	*73,390*
Security and transport	**448**	*155*
Technology costs	**14,190**	*11,557*
Insurance	**6,781**	*7,751*
Legal and professional	**15,528**	*16,858*
Audit and accountancy	**10,505**	*12,950*
Bank charges	**-**	*94*
	330,346	*626,943*
	1,078,752	*1,386,144*

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	*Total 2017 £*
Expenditure on fundraising trading	-	-	**68,751**	**68,751**	*16,697*
Educational operations:					
Direct costs	**701,806**	-	**46,600**	**748,406**	*759,201*
Support costs	**110,513**	**72,258**	**147,575**	**330,346**	*626,943*
	812,319	**72,258**	**262,926**	**1,147,503**	*1,402,841*
Total 2017	*773,516*	*359,526*	*269,799*	*1,402,841*	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	*2017 £*
Depreciation of tangible fixed assets:		
- owned by the charity	**16,574**	*16,229*
Auditor's remuneration - audit	**8,500**	*8,150*
Auditor's remuneration - other services	**1,625**	*1,250*
Operating lease rentals	**1,773**	*1,380*

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	*2017 £*
Wages and salaries	**582,394**	*595,531*
Social security costs	**50,553**	*46,749*
Operating costs of defined benefit pension schemes	**133,507**	*121,450*
	766,454	*763,730*
Agency staff costs	**-**	*9,786*
	766,454	*773,516*

b. Staff numbers

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

	2018 No.	*2017 No.*
Teachers	**12**	*16*
Administration & support	**26**	*22*
Management	**1**	*1*
	39	*39*

c. Higher paid staff

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

	2018 No.	*2017 No.*
In the band £60,001 - £70,000	**1**	*1*

Pension contributions for the year totalled £11,394 (2017 - £11,021) in relation to this employee.

d. Key management personnel

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy in the year was £88,933 (2017 - £86,004).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	*2017* *£*
R Langford	Remuneration	**65,000-70,000**	*65,000-70,000*
	Pension contributions paid	**10,000-15,000**	*10,000-15,000*
Miss C Hollands	Remuneration	**45,000-50,000**	*45,000-50,000*
	Pension contributions paid	**5,000-10,000**	*5,000-10,000*
S Browning	Remuneration	**30,000-35,000**	*25,000-30,000*
	Pension contributions paid	**5,000-10,000**	*5,000-10,000*
J Low	Remuneration	**0-5,000**	*5,000-10,000*
	Pension contributions paid	**-**	*-*

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

11. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £565 *(2017 - £565).*

12. OTHER FINANCE INCOME

	2018 £	*2017* *£*
Interest income on pension scheme assets	**7,000**	*3,000*
Interest on pension scheme liabilities	**(9,000)**	*(5,000)*
	(2,000)	*(2,000)*

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	**4,625,000**	**24,218**	**4,635**	**4,653,853**
Additions	**-**	**2,043**	**737**	**2,780**
At 31 August 2018	**4,625,000**	**26,261**	**5,372**	**4,656,633**
Depreciation				
At 1 September 2017	**32,596**	**2,422**	**3,060**	**38,078**
Charge for the year	**13,488**	**1,313**	**1,773**	**16,574**
At 31 August 2018	**46,084**	**3,735**	**4,833**	**54,652**
Net book value				
At 31 August 2018	**4,578,916**	**22,526**	**539**	**4,601,981**
At 31 August 2017	*4,592,404*	*21,796*	*1,575*	*4,615,775*

Included in leasehold property is land valued at £2,939,000 which is not depreciated.

14. DEBTORS

	2018 £	2017 £
VAT recoverable	**8,292**	*30,880*
Prepayments and accrued income	**42,269**	*125,654*
	50,561	*156,534*

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	**24,163**	*24,087*
Accruals and deferred income	**30,114**	*197,484*
	54,277	*221,571*

15. CREDITORS: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	**22,154**	*23,781*
Resources deferred during the year	**21,159**	*22,154*
Amounts released from previous years	**(22,154)**	*(23,781)*
Deferred income at 31 August 2018	**21,159**	*22,154*

Deferred income relates to grant income received in advance of the financial year 2018/19.

16. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	**181,990**	*227,010*
Financial liabilities measured at amortised cost	**24,163**	*24,087*

Financial assets measured at amortised cost comprise cash and debtors, excluding prepayments and accrued income.

Financial liabilities measured at amortised cost comprise creditors, excluding accruals and deferred income.

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	**65,892**	**87,433**	**(68,751)**	**-**	**-**	**84,574**
Restricted funds						
General Annual Grant (GAG)	**65,201**	**1,052,735**	**(1,036,178)**	**3,650**	**-**	**85,408**
Pension reserve	**(110,000)**	**-**	**(26,000)**	**-**	**52,000**	**(84,000)**
	(44,799)	**1,052,735**	**(1,062,178)**	**3,650**	**52,000**	**1,408**
Restricted fixed asset funds						
Restricted Fixed Asset Fund	**4,615,775**	**6,430**	**(16,574)**	**(3,650)**	**-**	**4,601,981**
Total restricted funds	**4,570,976**	**1,059,165**	**(1,078,752)**	**-**	**52,000**	**4,603,389**
Total of funds	**4,636,868**	**1,146,598**	**(1,147,503)**	**-**	**52,000**	**4,687,963**

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

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

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

Restricted funds comprise all other restricted funds received and include grants from the Department for Education, Local Authority and other bodies which must be applied for specific purposes.

The transfer from the restricted fixed assets fund represents the use of devolved formula capital grant on revenue items.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2017* £
General funds						
General Fund	*53,067*	*29,522*	*(16,697)*	-	-	*65,892*
Restricted funds						
Capital Grant	-	*295,654*	*(302,073)*	*6,419*	-	-
General Annual Grant (GAG)	*51,929*	*1,058,114*	*(1,044,842)*	-	-	*65,201*
Pension reserve	*(115,000)*	-	*(23,000)*	-	*28,000*	*(110,000)*
	(63,071)	*1,353,768*	*(1,369,915)*	*6,419*	*28,000*	*(44,799)*
Restricted fixed asset funds						
Restricted Fixed Asset Fund	*4,632,004*	*6,419*	*(16,229)*	*(6,419)*	-	*4,615,775*
Total of funds	*4,622,000*	*1,389,709*	*(1,402,841)*	-	*28,000*	*4,636,868*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	*53,067*	*116,955*	*(85,448)*	-	-	*84,574*
Restricted funds						
Capital Grant	-	*295,654*	*(302,073)*	*6,419*	-	-
General Annual Grant (GAG)	*51,929*	*2,110,849*	*(2,081,020)*	*3,650*	-	*85,408*
Pension reserve	*(115,000)*	-	*(49,000)*	-	*80,000*	*(84,000)*
	(63,071)	*2,406,503*	*(2,432,093)*	*10,069*	*80,000*	*1,408*
Restricted fixed asset funds						
Restricted Fixed Asset Fund	*4,632,004*	*12,849*	*(32,803)*	*(10,069)*	-	*4,601,981*
	4,568,933	*2,419,352*	*(2,464,896)*	-	*80,000*	*4,603,389*
Total of funds	*4,622,000*	*2,536,307*	*(2,550,344)*	-	*80,000*	*4,687,963*

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,601,981	4,601,981
Current assets	84,574	139,685	-	224,259
Creditors due within one year	-	(54,277)	-	(54,277)
Provisions for liabilities and charges	-	(84,000)	-	(84,000)
	84,574	1,408	4,601,981	4,687,963

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	*Restricted funds*	*Restricted fixed asset funds*	*Total funds*
	2017 £	*2017* £	*2017* £	*2017* £
Tangible fixed assets	-	-	*4,615,775*	*4,615,775*
Current assets	*65,892*	*286,772*	-	*352,664*
Creditors due within one year	-	*(221,571)*	-	*(221,571)*
Provisions for liabilities and charges	-	*(110,000)*	-	*(110,000)*
	65,892	*(44,799)*	*4,615,775*	*4,636,868*

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	*2017* £
Net expenditure for the year (as per Statement of Financial Activities)	(905)	*(13,132)*
Adjustment for:		
Depreciation charges	16,574	*16,229*
Dividends, interest and rents from investments	(767)	*(3,440)*
Decrease/(increase) in debtors	105,973	*(134,763)*
(Decrease)/increase in creditors	(167,294)	*143,649*
Defined benefit pension scheme cost less contributions payable	24,000	*21,000*
Defined benefit pension scheme finance cost	2,000	*2,000*
Net cash (used in)/provided by operating activities	(20,419)	*31,543*

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	**173,698**	*196,130*
Total	**173,698**	*196,130*

21. PENSION COMMITMENTS

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

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

Contributions amounting to £12,700 were payable to the schemes at 31 August 2018 *(2017 - 12,691)* and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

21. PENSION COMMITMENTS (continued)

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 £61,351 *(2017 - £57,405)*.

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

Under the definitions set out in FRS 102, the TPS is 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £61,000 *(2017 - £54,000)*, of which employer's contributions totalled £49,000 *(2017 - £44,000)* and employees' contributions totalled £12,000 *(2017 - £10,000)*. The agreed contribution rates for future years are 24.3% for employers and 6.5% for employees.

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

	2018	*2017*
Discount rate for scheme liabilities	**2.80 %**	*2.50 %*
Rate of increase in salaries	**3.60 %**	*3.70 %*
Rate of increase for pensions in payment / inflation	**2.20 %**	*2.20 %*
Inflation assumption (CPI)	**2.10 %**	*2.20 %*

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

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

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	*Fair value at 31 August 2017 £*
Equities	**209,000**	*182,000*
Gilts	**20,000**	*-*
Corporate bonds	**20,000**	*33,000*
Property	**11,000**	*-*
Cash and other liquid assets	**-**	*3,000*
Other	**61,000**	*20,000*
Total market value of assets	**321,000**	*238,000*

The actual return on scheme assets was £23,000 *(2017 - £27,000).*

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

	2018 £	*2017 £*
Current service cost	**(72,000)**	*(64,000)*
Interest income	**7,000**	*3,000*
Interest cost	**(9,000)**	*(5,000)*
Total	**(74,000)**	*(66,000)*

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

	2018 £	*2017 £*
Opening defined benefit obligation	**348,000**	*241,000*
Current service cost	**72,000**	*64,000*
Interest cost	**9,000**	*5,000*
Employee contributions	**12,000**	*10,000*
Actuarial (gains)/losses	**(36,000)**	*28,000*
Closing defined benefit obligation	**405,000**	*348,000*

21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	**238,000**	*126,000*
Interest income	**7,000**	*3,000*
Actuarial gains	**16,000**	*56,000*
Employer contributions	**49,000**	*44,000*
Employee contributions	**12,000**	*10,000*
Administration expenses	**(1,000)**	*(1,000)*
Closing fair value of scheme assets	**321,000**	*238,000*

22. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	**1,733**	*1,773*
Between 1 and 5 years	**1,745**	*3,479*
Total	**3,478**	*5,252*

23. 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 £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.