

Registered number: 08437300



Knowle Church of England Primary Academy

Governors report and financial statements

For the Year Ended 31 August 2018

Knowle Church of England Primary Academy
(A company limited by guarantee)

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Knowle Church of England Primary Academy
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Reference and administrative details
For the Year Ended 31 August 2018

Members Canon M Parker (resigned 23 September 2018)
J Carver
L Mackay
H Morris
P J Sidwell
G Breatnach (appointed 4 June 2018)

Governors (Trustees) P A Allen¹
J Carver¹
S Covington
S Day¹
J Godsall¹
C Harris¹
S Harris
D N Hillier¹
A Jayne (resigned 14 December 2017)
L Mackay, Chair of Governors¹
H S Morris
P J Sidwell¹
C D Welton¹
H Fulker (appointed 6 December 2017)¹
H Ager (appointed 15 February 2018)¹
H C Fitzgerald (appointed 15 February 2018)¹

¹ Finance and General Purposes Committee

Company registered number 08437300

Company name Knowle Church of England Primary Academy

Principal and registered office Kixley Lane
Knowle
Solihull
West Midlands
B93 0JE

Knowle Church of England Primary Academy
(A company limited by guarantee)

Reference and administrative details of the Academy, its trustees and advisers
For the Year Ended 31 August 2018

Advisers (continued)

Senior management team

J Godsall, Principal and Accounting Officer
E Clarke, Vice Principal
M Stonehill, Vice Principal
E Lynch, Business and Facilities Manager

Independent auditors

Dains LLP
Chartered Accountants
Statutory Auditors
15 Colmore Row
Birmingham
B3 2BH

Bankers

Lloyds Bank
Poplar Road
Solihull
West Midlands
B91 3AN

Knowle Church of England Primary Academy
(A company limited by guarantee)

Governors' report
For the Year Ended 31 August 2018

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

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 Governors of Knowle Church of England Primary Academy are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year, and to the date these accounts are approved, 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 £10, for the debts and liabilities contracted before they ceased to be a member.

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Governors' report (continued)
For the Year Ended 31 August 2018

c. Method of recruitment and appointment or election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

In accordance with the Articles of Association, the Academy's Governing Body comprises the following:

- Up to 3 Governors appointed by the members
- Up to 3 Foundation Governors, which shall comprise the Incumbent as an ex officio Governor and up to 2 Governors notified to the Academy by the Diocese and Knowle United Charities acting together
- A minimum of 2, and no more than 5, Parent Governors who are elected by parents of registered pupils at the Academy
- 3 Staff Governors
- 4 Community Governors
- The Principal, who is treated for all purposes as being an ex officio Governor

Governors are appointed for a four year period, except that this time limit does not apply to the Principal or the Incumbent. Subject to remaining eligible to be a particular type of Governor, any Governor may be re appointed or re elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Since becoming an academy, the Governors have regularly undertaken a full skills audit to determine any weakness in the range of expertise and experiences.

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

The Board of Governors has devised an informal induction process to ensure that all Governors understand their roles and responsibilities. The training and induction provided for new Governors will depend on their experience but would always include an induction meeting with the Principal and the Chair of Governors, a tour of the Academy with the Chair of Governors, and a chance to meet staff and pupils. All Governors have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as Governors. Governors make regular use of the training packages offered by the National Governors Association and Solihull LA Governor Services; these activities are coordinated by the Vice Chair of Governors and the Clerk. All Governors are subject to DBS checks.

e. Organisational structure

The Governing Body – Full Board

- Resources and Planning Committee
- Scrutiny and Standards Committee
- Pay Committee
- Curriculum and Collaborative Partnership Committee

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

The academy has a Pay Policy which is reviewed annually by the Governors and is based on the locally agreed model policy, which is in turn based on the School Teachers' Pay and Conditions document. This covers all key management personnel who are qualified teachers. The policy for other key management personnel is based on the terms and conditions of the National Joint Council for local authority services and the Solihull MBC pay bands; this is also agreed by the Governors.

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Knowle Church of England Primary Academy to provide education for pupils aged 3 - 11, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;

The main aims of the Academy during the period ending 31 August 2018 are summarised below;

Preparing Children for the Future

<p><u>Be Healthy</u></p> <p>We aim to empower each child to become physically, mentally and emotionally healthy in order that they can learn effectively and choose a healthy lifestyle.</p>	<p><u>Embrace Christian Values</u></p> <p>We aim to empower each child to develop socially, morally, ethically and spiritually by experiencing and sharing in our Christian beliefs and values</p>	<p><u>Stay Safe</u></p> <p>We aim to develop and sustain a happy and secure environment in which children become self-confident, articulate, emotionally aware, socially adept, literate and numerate in order to make the right life choices and, therefore, be inherently safer.</p>
<p><u>Make a Positive Contribution</u></p> <p>We aim to empower children to actively engage in the planning of their learning experiences, and have the confidence to express themselves in discussion and in writing in order that they will choose to engage positively in social and community roles, becoming global citizens.</p>	<p><u>Enjoy and Achieve</u></p> <p>We aim to empower each child to experience the joy of learning and to achieve success, developing their capacity to learn independently and interdependently in order that they choose to be engaged in lifelong learning.</p>	<p><u>Achieve Economic Well-being</u></p> <p>We aim to empower each child to develop a positive attitude, become self-motivated, and develop key academic and social skills, which enable them to think creatively and choose to impact on, influence and shape the world they live in.</p>

b. Objectives, strategies and activities

The following key areas for development in 2017/18 were prioritised in the Academy Improvement Plan as follows:

Further improve the provision for SMSC (Spiritual, Moral, Social and Cultural) development to ensure that there is appropriate content, continuity of approach, progression, diversity and challenge embedded and delivered through the thematic curriculum.

- Review and assessment of current provision
- Outcomes shared with staff and Governing Body
- Consultation with pupils
- Revised planning for Collective Worship
- Further Embed 'The Fruit of the Spirit' as our core Christian values
- Creation of 'Reflection Areas' around school to provide pupils with places/opportunity/to reflect or pray
- Review policy documentation for RE and Collective Worship
- Fully integrate the new RE schemes into the thematic curriculum.

Improve the provision for PSHE (Personal, Social, Health and Economic) education to ensure that it more effectively meets the needs of all pupils but especially, those pupils who are vulnerable due to challenging life circumstances, poor social skills and/or to developing mental health problems.

- Implement a whole-school approach to PSHE – 'JIGSAW'
- Review policy documentation for Anti-bullying, Confidentiality, Drugs, Alcohol and Tobacco Education and Relations and Sex Education.

Review the academy's provision for early years to determine whether the seamless integration of early education and childcare (including U8s Play Station) from September 2018 is both feasible and desirable.

- Review current provision
- Consider alternative ways to organise education/childcare in the early years
- Recommendations received by Governing Body and decisions made about reorganisation for 2017/2018

To improve outcomes in English for those pupils who enter Key Stage 2 having either only just met the expected standard or having not met the standard despite prior attainment suggesting that they should have done.

- Data analysis and identification of target groups of pupils
- Development and implementation of effective intervention strategies
- Monitoring and close scrutiny of pupil progress by key personnel and the Governing Body

c. Review of activities

The achievements and performance of the Academy will be demonstrated in the following key areas:

Achievement at Key Stage 1

During the period ended 31 August 2018 the attainment of pupils in Key Stage 1 was above the national average.

Key Stage 1 Results 2018

Subject	2018 Expected +		2018 High Standard	
	Knowle	National	Knowle	National
Reading	78%	75%	45%	26%
Writing	78%	70%	18%	-
Maths	90%	76%	40%	22%

Improved outcomes from last year (highlighted in green in the above table)

Achievement at Key Stage 2

During the period ended 31 August 2018 the proportions of pupils in Key Stage 2 who reached the expected standard+ in all three areas was above the national average.

Key Stage 2 Results

Subject	2018 Expected +		2018 High Standard	
	Knowle	National	Knowle	National
RWM	70%	64%	15%	10%
Reading	77%	75%	37%	28%
Writing	87%	78%	27%	20%
Maths	85%	76%	35%	24%
SPAG	83%	78%	42%	34%

Improved outcomes from last year (highlighted in green in the above table)

Progress in Key Stage 2

	2018
Reading	-1.06
Writing	-0.43
Maths	-0.88

Improved outcomes from last year (highlighted in green in the above table)

Attendance

During the year ended 31 August 2018 the attendance of pupils at the academy was above the national average. In 2017/18 the attendance figure was 96.8% and there were 22 persistent absentees (pupils who ended the academic year on less than 90% attendance).

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Governors' report (continued)
For the Year Ended 31 August 2018

Extended Services

The academy achieved its aim to further develop and embed the ethos, systems and structures necessary to provide an outstanding, school run childcare and wraparound facility. This is now a thriving business providing a much needed service for our families.

d. Public benefit

The Governors confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

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Governors' report (continued)
For the Year Ended 31 August 2018

Strategic report

Achievements and performance

a. Key performance indicators

The Governors aim to ensure that the Academy meets the following financial requirements:

- Operates within its means and remains solvent
- Achieves best value for all activities undertaken and contracted services
- Maintains appropriate reserves
- Maintains a balanced budget going forward, taking likely contingencies into account
- Seeks to maintain the numbers of children in the school

b. Going concern

The Governors assess whether the use of the going concern basis is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. After making appropriate enquiries, the Board of Governors 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.

Financial review

a. Review of financial performance

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the period ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as Restricted Income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018, total expenditure (excluding movements on the Fixed Asset Fund and movements on the pension reserve) of £2,102,101 was covered by recurrent grant funding from the DfE, together with other incoming resources of £2,194,878 without the use of any of the Academy's brought forward funds.

At 31 August 2018, the net book value of fixed assets was £5,918,388 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

b. Reserves policy

The Governors review the reserve levels of the Academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Academy continues to follow the recommendation of the Local Authority not to exceed a reserve of Restricted Funds in excess of 8% of its total budget.

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Governors' report (continued)
For the Year Ended 31 August 2018

The Academy's current level of unrestricted reserves is £204,941 (2017 - £128,522). The Governors plan to use these funds to further augment staffing to support the teaching of reading and support pupils with SEND; to refurbish the Play Station facilities and to supplement the budget in the future as forecasts indicate that this may be necessary. The Academy's current level of free reserves is £204,941 (2017 - £114,522).

c. Material investments policy

The academy's policy is not to hold any investments accounts as the cash balances held in the academy's current account fluctuate due to cash flow and patterns of income and expenditure throughout the academic year. For example, ESFA budget share arrives on a monthly basis whilst Early Years Funding, Pupil Premium and Universal Free School Meals allocations are paid termly in arrears. Expenditure, apart from monthly salaries, may be top-loaded at certain times of the year e.g. to fund resources for teaching and learning at the start of a term or to facilitate building maintenance schedules outside of term time.

d. Principal risks and uncertainties

The principal risks and uncertainties facing the Academy are as follows:

- Financial - considerable reliance on continued funding from ESFA
- Failures in Governance or Management
- Reputational
- Safeguarding and Child Protection
- Fraud and Mismanagement of Funds
- Staffing

e. Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy. With regard to financial risk, the Governors have developed a system to assess risks i.e. The Risk Management Policy/Risk Register. This ensures that systems and internal financial controls are reviewed at least annually in order to minimise risk; all identified risks are reviewed again on at least an annual basis. Where significant financial risk still remains the Governors have ensured that they have adequate insurance cover.

Fundraising

Fundraising for the Academy is undertaken by the Parents' Association. They operate as a registered Charity in their own right and are organised and managed by an elected committee of parents. A member of the academy staff has a designated role to act as liaison and, as such, attends all committee meetings, providing feedback to the Principal which enables effective oversight. The Governors are confident that the Parents' Association fundraising activities conform to recognised standards. The nature of the fundraising i.e. parents are invited to attend fundraising events which may be chargeable or invite financial contribution ensures that the approach is not unreasonably intrusive or persistent and does not result in undue pressure to donate.

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Governors' report (continued)
For the Year Ended 31 August 2018

Plans for future periods

a. Future developments

The focus for school improvement in 2018/19 is to:

- Further improve Assessment from Year 1 to Year 6 to ensure that the strategy for and implementation of AfL, formative and summative assessment ensures more effective provision and a more accurate view of pupil progress in Key Stage 1 and Key Stage 2.
- Improve the academy's curriculum from EYFS to Year 6 to ensure that it more effectively meets the needs of all pupils but especially, promotes 'life in all its fullness' and supports our belief that 'learning should be immensely enjoyable'.
- Implement the academy's revised provision for early years (Nursery) to facilitate a seamless integration of early education and childcare incorporating a reorganisation of teaching and learning and a new curriculum to support a more flexible approach.
- To further develop the academy site to facilitate the move of the 90 pupil cohort across to Key Stage 2 in September 2019 whilst ensuring that facilities for Extended Services provision are maintained (as a minimum) or improved if possible.

Disclosure of information to auditors

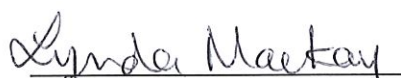
Insofar as the Governors are aware:

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

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 10 December 2018 and signed on its behalf by:


L Mackay
Chair of Trustees


J Godsall
Principal and Accounting Officer

Knowle Church of England Primary Academy
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Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Knowle Church of England Primary Academy 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 Governors 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 Knowle Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
P A Allen	1	4
J Carver	2	4
S Covington	4	4
S Day	2	4
J Godsall	4	4
C Harris	3	4
S Harris	1	2
D N Hillier	2	4
A Jayne	0	0
L Mackay	4	4
H S Morris	2	4
P J Sidwell	3	4
C D Welton	4	4
H Fulker	2	2
H Ager	2	2
H C Fitzgerald	1	2

Governance reviews:

During this academic year there have been the following changes to the composition of the board of trustees: Mrs H Ager and Mr H C Fitzgerald were elected as Parent Governors to replace Mr A Jayne who stood down on 14 December 2017 and Mrs Z Wallis who stood down the previous year. Mrs Ager works in the Health Service and Mr Fitzgerald is an architect therefore, both new Parents Governors have added breadth of experience to the board of trustees. Miss H C Fulker was appointed as Staff Governor on 6 December 2017.

The Scrutiny and Standards Committee is a sub-committee of the main Board of Governors. As part of its remit members scrutinise data provided by the Senior Leadership of the Academy, the local authority and national data sets provided by the DfE and the STA (Standards and Testing Agency). The committee is able to compare and contrast the information provided via these different sources and is therefore confident that they have an accurate picture of the academic performance of the school.

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Governance Statement (continued)

As a result the Board continues to function effectively, discharging all duties as required by the DfE in the 'Governance Handbook' – April 2017, the 'Competence Framework for Governors' – April 2017 and the 'Academies Financial Handbook 2017'.

The Finance and General Purposes Committee (Resources and Planning) is a sub-committee of the main Board of Governors. Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements
- Set targets to measure financial and other performance
- Receive and act upon reports from the Responsible Officer
- Draft the annual budget
- Ensure delegation of authority and segregation of duties
- Identify and manage risks

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P A Allen	3	3
H Ager	2	2
J Carver	3	3
J Godsall	3	3
C Harris	0	3
S Day	2	3
D N Hillier	3	3
H Fitzgerald	2	2
H Fulker	2	2
P J Sidwell	1	3
C Welton	2	3
L Mackay	2	3

Review of Value for Money

As Accounting Officer, the Principal 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 Governors 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:

As Accounting Officer, the Principal has ensured the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration. This has been achieved by strict adherence to all agreed policies and procedures, open and transparent decisions about the recruitment, retention and deployment of staff, robust monitoring of all aspects of the Academy's work including monthly finance monitoring meetings and a full programme of Academy self evaluation processes. Providers of all goods and services are regularly reviewed for value for money and quality assurance purposes. Governors were kept informed and up to date throughout the academic year via the appropriate committee meetings.

Governance Statement (continued)

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 Knowle Church of England Primary Academy 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 Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal 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 Governors.

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 Governors;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Dains LLP, the external auditors, to perform additional checks.

The reviewer'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 purchases systems
- testing of petty cash and expense claim systems
- testing of income systems
- testing on bank reconciliations
- testing on fixed assets
- testing on month end procedures and journals

On an annual basis, the external auditors report to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Dains LLP has carried out their schedule of work as planned and has not identified any material control issues.

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Governance Statement (continued)

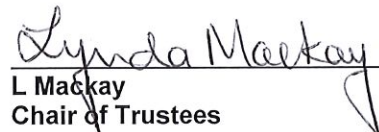
Review of Effectiveness


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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governors on 10 December 2018 and signed on their behalf, by:


L Mackay
Chair of Trustees


J Godsall
Accounting Officer

Knowle Church of England Primary Academy
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Knowle Church of England Primary Academy 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 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.



J Godsall
Accounting Officer

Date: 10 December 2018

Knowle Church of England Primary Academy
(A company limited by guarantee)

Statement of Governors' responsibilities
For the Year Ended 31 August 2018

The Governors (who act as governors of Knowle Church of England Primary Academy and 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Governors are required to:

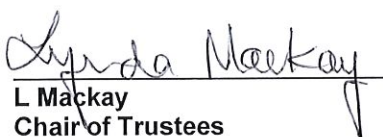
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Governors 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 Governors 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 Governors 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 Governors on 10 December 2018 and signed on its behalf by:


L. Mackay
Chair of Trustees

Knowle Church of England Primary Academy
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Knowle Church of England Primary Academy

Opinion

We have audited the financial statements of Knowle Church of England Primary Academy (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 & 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 & 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Knowle Church of England Primary Academy
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Knowle Church of England Primary Academy

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 auditors' 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 Governors' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have 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 including the Strategic report.

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

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

Knowle Church of England Primary Academy
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Knowle Church of England Primary Academy

Responsibilities of Governors

As explained more fully in the statement of governors' responsibilities, the Governors (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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 auditors' report.

Use of our report

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



Andrew Morris FCA (senior statutory auditor)

for and on behalf of

Dains LLP

Chartered Accountants
Statutory Auditors

Birmingham
10 December 2018

Knowle Church of England Primary Academy
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Knowle Church of England Primary Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 August 2018 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 Knowle Church of England Primary Academy 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 Knowle Church of England Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Knowle Church of England Primary Academy 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 Knowle Church of England Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Knowle Church of England Primary Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Knowle Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 28 March 2013, 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.

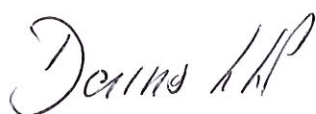
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

Knowle Church of England Primary Academy
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Knowle Church of England
Primary Academy and the Education & Skills Funding Agency (continued)

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.



Dains LLP

Chartered Accountants
Statutory Auditors

Birmingham

10 December 2018

Knowle Church of England Primary Academy
(A company limited by guarantee)

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	51,242	-	37,548	88,790	105,534
Charitable activities:	3					
Funding for the Academy's educational operations		319,238	1,816,595	-	2,135,833	2,132,038
Other trading activities	4	9,449	-	-	9,449	8,827
Investments	5	54	-	-	54	75
Total income		379,983	1,816,595	37,548	2,234,126	2,246,474
Expenditure on:						
Raising funds	7	220,133	-	-	220,133	205,417
Charitable activities		50,098	1,959,870	166,379	2,176,347	2,163,696
Total expenditure	6	270,231	1,959,870	166,379	2,396,480	2,369,113
Net income / (expenditure) before transfers		109,752	(143,275)	(128,831)	(162,354)	(122,639)
Transfers between Funds	17	(31,633)	31,633	-	-	-
Net income / (expenditure) before other recognised gains and losses		78,119	(111,642)	(128,831)	(162,354)	(122,639)
Actuarial gains/(losses) on defined benefit pension schemes	14	-	228,000	-	228,000	183,000
Net movement in funds		78,119	116,358	(128,831)	65,646	60,361
Reconciliation of funds:						
Total funds brought forward		128,522	(1,291,235)	6,088,252	4,925,539	4,865,178
Total funds carried forward		206,641	(1,174,877)	5,959,421	4,991,185	4,925,539

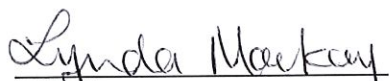
The notes on pages 27 to 49 form part of these financial statements.

Knowle Church of England Primary Academy
(A company limited by guarantee)
Registered number: 08437300

Balance sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		5,918,388		6,059,707
Current assets					
Debtors	15	507,995		436,732	
Cash at bank and in hand		68,441		38,300	
		<u>576,436</u>		<u>475,032</u>	
Creditors: amounts falling due within one year	16	<u>(290,639)</u>		<u>(296,200)</u>	
Net current assets			<u>285,797</u>		<u>178,832</u>
Total assets less current liabilities			<u>6,204,185</u>		<u>6,238,539</u>
Defined benefit pension scheme liability	21		<u>(1,213,000)</u>		<u>(1,313,000)</u>
Net assets including pension scheme liabilities			<u><u>4,991,185</u></u>		<u><u>4,925,539</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	38,123		21,765	
Restricted fixed asset funds	17	5,959,421		6,088,252	
		<u>5,997,544</u>		<u>6,110,017</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(1,213,000)</u>		<u>(1,313,000)</u>	
Total restricted income funds			<u>4,784,544</u>		<u>4,797,017</u>
Unrestricted income funds	17		<u>206,641</u>		<u>128,522</u>
Total funds			<u><u>4,991,185</u></u>		<u><u>4,925,539</u></u>

The financial statements on pages 24 to 49 were approved by the Governors, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:


L Mackay
Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

Knowle Church of England Primary Academy
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>17,599</u>	<u>(32,398)</u>
Cash flows from investing activities:			
Interest receivable		54	75
Purchase of tangible fixed assets		(25,060)	(72,525)
Capital grants from DfE Group		9,248	9,109
Capital funding received from sponsors and others		<u>28,300</u>	<u>56,887</u>
Net cash provided by/(used in) investing activities		<u>12,542</u>	<u>(6,454)</u>
Change in cash and cash equivalents in the year		30,141	(38,852)
Cash and cash equivalents brought forward		<u>38,300</u>	<u>77,152</u>
Cash and cash equivalents carried forward	20	<u><u>68,441</u></u>	<u><u>38,300</u></u>

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2018

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.

Knowle Church of England Primary Academy constitutes a public benefit entity as defined by FRS 102.

1.2 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

1.3 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. Accounting policies (continued)

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

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.

Charitable activities

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 apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	2% straight line
Long Term Leasehold Land	-	Over period of lease
Furniture and fixtures	-	10% straight line
Computer equipment	-	25% straight line
Catering equipment	-	10% 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.

Notes to the financial statements
For the Year Ended 31 August 2018

1. Accounting policies (continued)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. 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.

1. Accounting policies (continued)

1.12 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.

1.13 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. Accounting policies (continued)

1.14 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.15 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:

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Trip income	33,052	-	-	33,052	37,858
Capital grants	-	-	9,248	9,248	35,996
Other donations	18,190	-	28,300	46,490	31,680
	<u>51,242</u>	<u>-</u>	<u>37,548</u>	<u>88,790</u>	<u>105,534</u>
Total 2017	<u>55,538</u>	<u>3,000</u>	<u>46,996</u>	<u>105,534</u>	

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,450,711	1,450,711	1,385,317
Pupil Premium	-	47,889	47,889	44,957
Rates funding	-	6,334	6,334	11,301
PE Sports Grant	-	19,580	19,580	9,800
Universal Infant Free School Meals Grant	-	85,434	85,434	83,249
	-	1,609,948	1,609,948	1,534,624
Other government grants				
Nursery funding	-	131,279	131,279	95,793
Child and Family Mentor funding	-	10,230	10,230	15,381
Pupil growth funding	-	-	-	54,460
	-	141,509	141,509	165,634
Other funding				
Absence and maternity insurance claims	-	-	-	12,866
Outreach and training income	-	7,189	7,189	38,886
Catering income	161	57,949	58,110	69,891
Department sales income	3,169	-	3,169	2,900
Extended services income	314,889	-	314,889	294,403
Swimming fees	1,019	-	1,019	1,334
Maths hub income	-	-	-	11,500
	319,238	65,138	384,376	431,780
	319,238	1,816,595	2,135,833	2,132,038
Total 2017	298,870	1,833,168	2,132,038	

Knowle Church of England Primary Academy
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	7,785	-	7,785	7,342
Photo commission	1,664	-	1,664	1,485
	<u>9,449</u>	<u>-</u>	<u>9,449</u>	<u>8,827</u>
Total 2017	<u>8,827</u>	<u>-</u>	<u>8,827</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - local cash	54	-	54	75
	<u>54</u>	<u>-</u>	<u>54</u>	<u>75</u>
Total 2017	<u>75</u>	<u>-</u>	<u>75</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	204,020	-	16,113	220,133	205,417
Support costs	-	-	-	-	-
Activities:					
Direct costs	1,286,095	109,867	259,584	1,655,546	1,632,677
Support costs	217,104	87,002	216,695	520,801	531,019
	<u>1,707,219</u>	<u>196,869</u>	<u>492,392</u>	<u>2,396,480</u>	<u>2,369,113</u>
Total 2017	<u>1,657,889</u>	<u>246,357</u>	<u>464,867</u>	<u>2,369,113</u>	

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7. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Extended services costs	220,133	-	220,133	205,417
	<u>220,133</u>	<u>-</u>	<u>220,133</u>	<u>205,417</u>
Total 2017	<u>205,417</u>	<u>-</u>	<u>205,417</u>	

8. Direct costs

	Total 2018 £	Total 2017 £
LGPS finance costs	33,000	30,000
Educational supplies	55,223	59,105
Technology costs	9,192	7,807
Educational consultancy	13,423	13,037
Supply teacher insurance	18,064	9,031
Recruitment and support	130,682	151,435
Wages and salaries	947,910	949,983
National insurance	80,032	81,200
Pension cost	258,153	221,641
Depreciation	109,867	109,438
	<u>1,655,546</u>	<u>1,632,677</u>
Total 2017	<u>1,632,677</u>	

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9. Support costs

	Total 2018 £	Total 2017 £
Staff development	14,379	17,682
Technology costs	26,600	27,546
Other support costs	59,416	59,767
Recruitment and support	877	1,727
Maintenance of premises	28,948	24,559
Maintenance of equipment	3,621	6,500
Cleaning	9,253	8,814
Photocopying	16,813	19,582
Rates	5,804	4,905
Water rates	7,236	2,511
Energy	21,128	17,738
Insurance	14,633	14,480
Other occupancy costs	31,727	31,456
Governance costs	6,750	12,465
Wages and salaries	170,547	157,287
National insurance	11,074	10,075
Pension cost	35,483	50,013
Depreciation	56,512	63,912
	<u>520,801</u>	<u>531,019</u>
Total 2017	<u>531,019</u>	

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	166,379	173,350
Auditors' remuneration	5,500	4,750
Operating lease rentals	5,594	6,342
	<u>177,473</u>	<u>184,442</u>

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11. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,286,082	1,265,643
Social security costs	98,634	98,058
Operating costs of defined benefit pension schemes	322,503	294,188
	<u>1,707,219</u>	<u>1,657,889</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	22	20
Administration and support	38	31
Management	4	5
Extended services	15	17
	<u>79</u>	<u>73</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise key governors and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £359,249 (2017 - £330,857).

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12. Governors' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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
		£	£
J Godsall	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
E Baker (resigned 31/08/2017)	Remuneration		20,000-25,000
	Pension contributions paid		0-5,000
C Harris	Remuneration	25,000-30,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
P Allen	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
H Fulker (appointed 06/12/2017)	Remuneration	20,000-25,000	
	Pension contributions paid	0-5,000	

During the year, no Governors received any benefits in kind (2017 - £NIL).

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

13. Governors' 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 and the cost for the year ended 31 August 2018 was included in the total cost for insurance of £12,300 (2017 - £14,480).

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14. Tangible fixed assets

	Longterm Leasehold Land and Buildings £	Furniture and fixtures £	Computer equipment £	Catering Equipment £	Total £
Cost					
At 1 September 2017	6,218,171	380,499	95,682	74,700	6,769,052
Additions	25,060	-	-	-	25,060
At 31 August 2018	<u>6,243,231</u>	<u>380,499</u>	<u>95,682</u>	<u>74,700</u>	<u>6,794,112</u>
Depreciation					
At 1 September 2017	476,943	124,679	74,730	32,993	709,345
Charge for the year	109,867	38,050	10,992	7,470	166,379
At 31 August 2018	<u>586,810</u>	<u>162,729</u>	<u>85,722</u>	<u>40,463</u>	<u>875,724</u>
Net book value					
At 31 August 2018	<u>5,656,421</u>	<u>217,770</u>	<u>9,960</u>	<u>34,237</u>	<u>5,918,388</u>
At 31 August 2017	<u>5,741,228</u>	<u>255,820</u>	<u>20,952</u>	<u>41,707</u>	<u>6,059,707</u>

15. Debtors

	2018 £	2017 £
VAT debtor	488,190	406,987
Other debtors	14	88
Prepayments and accrued income	19,791	29,657
	<u>507,995</u>	<u>436,732</u>

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16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	149,448	152,573
Other taxation and social security	23,043	24,306
Other creditors	28,295	26,949
Accruals and deferred income	89,853	92,372
	<u>290,639</u>	<u>296,200</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	68,452	87,385
Resources deferred during the year	72,517	68,902
Amounts released from previous years	(68,452)	(87,835)
	<u>72,517</u>	<u>68,452</u>
Deferred income at 31 August 2018		

Included within deferred income are monies received in advance from the ESFA for free school meals and capital funding. Also included within deferred income is income received in advance for before and after school clubs.

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17. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
Refurbishment funds	14,000	-	-	(14,000)	-	-
General funds						
General Funds	114,522	379,983	(270,231)	(17,633)	-	206,641
Total Unrestricted funds	128,522	379,983	(270,231)	(31,633)	-	206,641
Restricted funds						
General Annual Grant (GAG)	-	1,450,711	(1,487,851)	37,140	-	-
Other DfE/ESFA and government grants	-	300,746	(206,499)	(94,247)	-	-
Other restricted income	-	7,189	(7,000)	(189)	-	-
Catering	21,765	57,949	(130,520)	88,929	-	38,123
Pension reserve	(1,313,000)	-	(128,000)	-	228,000	(1,213,000)
	(1,291,235)	1,816,595	(1,959,870)	31,633	228,000	(1,174,877)
Restricted fixed asset funds						
Assets funded from GAG	20,489	-	-	-	-	20,489
Assets inherited on conversion	5,648,013	-	(114,949)	-	-	5,533,064
Devolved capital grant	16,757	9,248	(9,766)	-	-	16,239
Donations for capital assets	40,621	28,300	(7,518)	-	-	61,403
Capital maintenance fund	264,618	-	(32,377)	-	-	232,241
Local authority capital funding	97,754	-	(1,769)	-	-	95,985
	6,088,252	37,548	(166,379)	-	-	5,959,421
Total restricted funds	4,797,017	1,854,143	(2,126,249)	31,633	228,000	4,784,544
Total of funds	4,925,539	2,234,126	(2,396,480)	-	228,000	4,991,185

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

Designated funds

Designated funds represents amounts which have been ring fenced to be spent on specific projects.

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Notes to the financial statements
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17. Statement of funds (continued)

Unrestricted funds

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

Restricted general fund

This fund represents grants and other income received for the Academy's operational activities and development.

Surpluses made on catering are ring-fenced for kitchen equipment maintenance, which the Academy is responsible for.

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset fund

This fund represents grants received from the DfE, ESFA, Local Authority and the Parents' Association to carry out works of a capital nature.

Transfers between funds

Transfers between funds include a transfer from unrestricted funds to fund the deficit generated on the GAG in the year. Transfers also include the transfer of Universal Infant Free School Meals grant income into catering income and a transfer from designated funds unrestricted funds to release amounts which have now been spent on specific projects.

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.

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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 £
Designated funds						
Refurbishment funds	-	-	-	14,000	-	14,000
General funds						
General Funds	52,768	363,310	(255,380)	(46,176)	-	114,522
Total Unrestricted funds	52,768	363,310	(255,380)	(32,176)	-	128,522
Restricted funds						
General Annual Grant (GAG)	-	1,385,317	(1,397,004)	11,687	-	-
Other DfE/ESFA and government grants	-	314,941	(231,692)	(83,249)	-	-
Other restricted income	-	66,252	(66,252)	-	-	-
Catering	20,293	69,658	(151,435)	83,249	-	21,765
Pension reserve	(1,402,000)	-	(94,000)	-	183,000	(1,313,000)
	(1,381,707)	1,836,168	(1,940,383)	11,687	183,000	(1,291,235)
Restricted fixed asset funds						
Assets funded from GAG	-	-	-	20,489	-	20,489
Assets inherited on conversion	5,767,629	-	(119,616)	-	-	5,648,013
Devolved capital grant	21,881	9,109	(14,233)	-	-	16,757
Donations for capital assets	34,870	11,000	(5,249)	-	-	40,621
Capital maintenance fund	296,995	-	(32,377)	-	-	264,618
Local authority capital funding	72,742	26,887	(1,875)	-	-	97,754
	6,194,117	46,996	(173,350)	20,489	-	6,088,252
Total restricted funds	4,812,410	1,883,164	(2,113,733)	32,176	183,000	4,797,017
Total of funds	4,865,178	2,246,474	(2,369,113)	-	183,000	4,925,539

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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 Funds	52,768	743,293	(525,611)	(63,809)	-	206,641
Restricted funds						
General Annual Grant (GAG)	-	2,836,028	(2,884,855)	48,827	-	-
Other DfE/ESFA and government grants	-	615,687	(438,191)	(177,496)	-	-
Other restricted income	-	73,441	(73,252)	(189)	-	-
Catering	20,293	127,607	(281,955)	172,178	-	38,123
Pension reserve	(1,402,000)	-	(222,000)	-	411,000	(1,213,000)
	<u>(1,381,707)</u>	<u>3,652,763</u>	<u>(3,900,253)</u>	<u>43,320</u>	<u>411,000</u>	<u>(1,174,877)</u>
Restricted fixed asset funds						
Assets funded from GAG	-	-	-	20,489	-	20,489
Assets inherited on conversion	5,767,629	-	(234,565)	-	-	5,533,064
Devolved capital grant	21,881	18,357	(23,999)	-	-	16,239
Donations for capital assets	34,870	39,300	(12,767)	-	-	61,403
Capital maintenance fund	296,995	-	(64,754)	-	-	232,241
Local authority capital funding	72,742	26,887	(3,644)	-	-	95,985
	<u>6,194,117</u>	<u>84,544</u>	<u>(339,729)</u>	<u>20,489</u>	<u>-</u>	<u>5,959,421</u>
Total Restricted funds	<u>4,812,410</u>	<u>3,737,307</u>	<u>(4,239,982)</u>	<u>63,809</u>	<u>411,000</u>	<u>4,784,544</u>
Total of funds	<u><u>4,865,178</u></u>	<u><u>4,480,600</u></u>	<u><u>(4,765,593)</u></u>	<u><u>-</u></u>	<u><u>411,000</u></u>	<u><u>4,991,185</u></u>

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Notes to the financial statements
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18. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	5,918,388	5,918,388
Current assets	206,641	323,279	46,515	576,435
Creditors due within one year	-	(285,156)	(5,482)	(290,638)
Provisions for liabilities and charges	-	(1,213,000)	-	(1,213,000)
	<u>206,641</u>	<u>(1,174,877)</u>	<u>5,959,421</u>	<u>4,991,185</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	6,059,707	6,059,707
Current assets	128,522	307,594	38,917	475,033
Creditors due within one year	-	(285,829)	(10,372)	(296,201)
Provisions for liabilities and charges	-	(1,313,000)	-	(1,313,000)
	<u>128,522</u>	<u>(1,291,235)</u>	<u>6,088,252</u>	<u>4,925,539</u>

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)	(162,354)	(122,639)
Adjustment for:		
Depreciation charges	166,379	173,350
Interest receivable	(54)	(75)
Increase in debtors	(71,263)	(63,469)
Decrease in creditors	(5,561)	(47,569)
Capital grants from DfE and other capital income	(37,548)	(65,996)
Defined benefit pension scheme cost less contributions payable	128,000	94,000
Net cash provided by/(used in) operating activities	<u>17,599</u>	<u>(32,398)</u>

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	68,441	38,300
Total	<u>68,441</u>	<u>38,300</u>

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 West Midlands Pension Fund. 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 £27,150 were payable to the schemes at 31 August 2018 (2017 - 25,754) 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%.

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 £118,000 (2017 - £117,000).

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).

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21. Pension commitments (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded 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 £139,000 (2017 - £143,000), of which employer's contributions totalled £108,000 (2017 - £115,000) and employees' contributions totalled £31,000 (2017 - £28,000). The agreed contribution rates for future years are 17.9% for employers and 5.5 - 12.5% 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	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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	21.9 years	21.8 years
Females	24.4 years	24.3 years
Retiring in 20 years		
Males	24.1 years	24.0 years
Females	26.7 years	26.6 years

Sensitivity analysis	At 31 August	At 31 August
	2018	2017
	£000	£000
Discount rate +0.1%	(51)	(51)
Discount rate -0.1%	53	53
Salary increase rate +0.1%	7	11
Salary increase rate -0.1%	(6)	(11)
Pension increase rate +0.1%	46	42
Pension increase rate -0.1%	(45)	(41)

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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	843,000	776,000
Gilts	96,000	90,000
Other bonds	49,000	47,000
Property	108,000	90,000
Cash	50,000	61,000
Other	186,000	163,000
	<u>1,332,000</u>	<u>1,227,000</u>

The actual return on scheme assets was £16,000 (2017 - £165,000).

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

	2018 £	2017 £
Current service cost	(202,000)	(179,000)
Net interest cost	(33,000)	(30,000)
Admin expenses	(1,000)	-
	<u>(236,000)</u>	<u>(209,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,540,000	2,302,000
Current service cost	202,000	179,000
Interest cost	66,000	51,000
Employee contributions	31,000	28,000
Benefits paid	(49,000)	(3,000)
Actuarial (gains) / losses	(245,000)	(17,000)
	<u>2,545,000</u>	<u>2,540,000</u>

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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	1,227,000	900,000
Return on plan assets (excluding net interest on the net defined pension liability)	(17,000)	166,000
Interest income	33,000	21,000
Employer contributions	108,000	115,000
Employee contributions	31,000	28,000
Benefits paid	(49,000)	(3,000)
Administration expenses	(1,000)	-
	<u>1,332,000</u>	<u>1,227,000</u>
Closing fair value of scheme assets	<u>1,332,000</u>	<u>1,227,000</u>

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	3,637	5,594
Between 1 and 5 years	1,607	5,244
	<u>5,244</u>	<u>10,838</u>
Total	<u>5,244</u>	<u>10,838</u>

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 £ 10 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 12.