

THE COPPICE PRIMARY SCHOOL
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2018

Company Registration Number: 07845627 (England and Wales)

THE COPPICE PRIMARY SCHOOL

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for the year ended 31 August 2018

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Reference and Administrative Details
for the year ended 31 August 2018

Members	Mr P Emery Mr W Heptinstall Mrs L Howfield
Trustees	Mr P Emery (Chair)* Mr W Heptinstall (Principal and Accounting Officer)* Miss P Harrison* Mrs K Byng Mr M Field Mr R Laight Mrs R Taylor Mrs C Webster* Mr N Poole Ms H Shelley (resigned February 2018) Mrs L Howfield* Mr W Hutt Mr D Monk *Members of the Pay, Personnel and Finance committee
Senior Management Team: <ul style="list-style-type: none">▪ Principal▪ Deputy Principal▪ Business Manager▪ Assistant Head▪ Assistant Head	Mr W Heptinstall Mr W Hutt Mrs L Howfield Mr R Laight Mrs L Ashwell
Registered Office	The Coppice Primary School Shawhurst Hollywood Wythall Worcestershire B47 5JN
Company Registration Number	07845627 (England and Wales)
Auditors	Haines Watts Birmingham LLP Sterling House 71 Francis Road Edgbaston Birmingham B16 8SP
Bankers	Lloyds TSB 9 – 11 Poplar Road Solihull West Midlands B91 3AN
Solicitors	Kippax Beaumont Lewis 28 Mawdsley Street Bolton BL1 1LF

THE COPPICE PRIMARY SCHOOL

Trustees' Report for the year ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

Structure, Governance and Management

Constitution

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

The Trustees of The Coppice Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Coppice Primary School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Academy Trust provides indemnity insurance to cover the liability of Trustees which by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which may be guilty in relation to the Academy Trust.

Principal Activities

The Academy Trust's object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall be not less than three but shall not be subject to any maximum. Subject to Articles 48-49 and 64, the Academy Trust shall have the following Trustees:

- (a) up to 5 Trustees appointed under Article 50;
- (b) 3 Parent Trustees appointed under Articles 53-58
- (c) up to 1 Staff Trustee appointed under Article 50A;
- (d) up to 3 Community Trustees appointed under Article 58B;
- (e) the Principal;
- (f) any additional Trustees, if appointed under Article 62, 62A or 68A; and
- (g) any Further Trustees, if appointed under Article 63 or Article 68A.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Trustees undertake induction training with the Local Authority and further training is made available to all Trustees throughout the year.

Organisational Structure

The Coppice Primary School is responsible for the overall running of the school, though this is delegated to our board of trustees. The board of trustees' principal role is to:

- set strategy
- monitor key performance indicators
- maintain financial stability
- review policies and procedures to mitigate risk

The Coppice Board of trustees in turn delegates some of its responsibilities to three Committees:

- Pay Personnel and Finance (PPF)
- Buildings and Grounds
- Curriculum

Each Committee has up to five Trustee members, and external members may be appointed to complement their expertise (e.g. our Site Manager is present at our Buildings and Grounds Committees).

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Trustees' Report (continued) for the year ended 31 August 2018

Structure, Governance and Management (continued)

The Board of trustees delegates the day-to-day management of the School to the Headteacher and the Senior Management Team. The Head teacher prepares a termly report to keep Trustees informed regarding the above.

The Head teacher as well as being supported and challenged by the Board of trustees also receives support and challenge from a Local Authority Education Improvement Advisor linked to his own Performance Management.

Arrangements for setting pay and remuneration of key management personnel

The Coppice references the Teachers Pay and Conditions document that is strongly linked to our Pay Policy. We also have reached schools with similar SLT structures to inform what we do. In addition, we have robust Performance Management and Appraisal processes that link directly to pay. These processes are externally validated.

Trade union facility time

We have one trade union representative in school, a member of the NEU (National Education Union). This is an unpaid role that she has voluntarily taken on. She has been fully supported in terms of hours relating to training and administration of the role.

Risk Management

We prepare an annual risk register, which is regularly updated, and which forms the basis of our annual Statement of Internal Control, as below:

Statement of Internal Control for The Coppice Primary School 1 December 2017 – 30 November 2018

- 1 *This statement relates to the Internal controls for The Coppice Primary School for the 12 months from 1 December 2017 to 30 November 2018. The Governing Body is responsible for ensuring that the school:*
 - *Keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the school, which have been drawn up in accordance with the DfE's (CFR) guidelines, and will enable it to prepare an annual income and expenditure statement that complies with DfE guidelines*
 - *Maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively*
- 2 *The system of internal control has been developed and is coordinated by the Head Teacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.*
- 3 *Our review of the effectiveness of the systems of internal control is informed by:*
 - *Our regular scrutiny of financial and other performance monitoring data*
 - *Regular reports from the Head Teacher and other managers to the Governing Body*
 - *Our most recent self-evaluation of the internal controls undertaken in August 2018.*
- 4 *We are, therefore, satisfied that the internal control systems in operation at the school during the year are adequate and effective except for:*
 - a) *Lagged funding leading to a shortfall of over £100,000 each year until 2019*
We will continue to lobby the DfE for funding to be based on the year's current number of pupils.
 - b) *Asbestos in school*
The asbestos register was updated in August 2017 and all staff have been emailed a list of the places within school where there is low risk asbestos and have replied to the Health & Safety Officer confirming their understanding of this.
 - c) *Congestion on playground*
We are applying for funding to install a MUGA which will be built on unusable land and which will extend our playground area

By order of the Governing Body of The Coppice Primary School.

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Trustees' Report (continued) for the year ended 31 August 2018

Structure, Governance and Management - continued

Related Parties and other connected charities and organisations

- We co-ordinate EYFS Partnership Group Meetings with all pre-school providers in our local area.
- Member of Primary Sports Partnership in the area.
- Headteacher regularly attends community PACT (Partnership and Community Together) meetings.
- Recognised locally as an excellent provider of support and development for ITT and work experience students with Newman College and the University of Birmingham. Though not a church school, we have close links with St Mary's church. This relationship has strengthened as we have now sub-leased a third of our new hall to them for a term of fifty years. Shared site with Woodrush Community High School which has technology status, utilising specialist teachers and facilities. Strong links exist between the two schools.
- We link regularly with the other primary schools within our pyramid. Also, we have actively sought links further afield, and established these.
- We have a Care Club (with a separate Ofsted registration) on our site which provides wrap around care for our Nursery as well as before and after school care for our main school.
- Local Leader of Education (LLE) commitment, supporting other schools.
- We have established firm professional partnerships, establishing a school network: The Grove Partnership.

Objectives, Activities and Aims

These include and are not limited to:

- Cherishing and valuing the children – the Coppice will be a welcoming, friendly, bright and lively, happy place where everyone feels secure, cared for, appreciated and where they enjoy life
- Observing achievement – success will be promoted and progress and achievement recognised and celebrated for all
- Partnering – we will build a partnership with parents, other schools, agencies and the local community
- Personalise learning for all – we provide a tailored approach to support learners with Special Educational Needs, More Able, Gifted and Talented learners and minority ethnic groups
- Interest and Engage – all children benefit from a rich, broad, balanced curriculum that is presented in an interesting, exciting and imaginative manner
- Conduct and behaviour management – all have high expectations and set high standards for themselves. We promote behaviours that lead to a healthy and sustainable lifestyle
- Equipping learners – to ensure our learners have the skills to enable them to fulfil the requirements of the '5 R's' of learning – Readiness, Resilience, Resourcefulness, Remembering, Reflectiveness

Objectives, Strategies and Activities

Teaching, Learning & Assessment:

- Closing the gap for low attainers in Writing from KS1 to KS2
- Revision of feedback policy to secure progress in Writing
- Comprehension in Reading (Understanding/ Discussing the meaning of words, Identify how language, structure and presentation contribute to meaning)
- ArtsMark priorities
- Increasing the use of digital technology in the Science Curriculum
- Increase standards in spelling

Personal Development, Behaviour and Welfare:

- Attendance (particularly with PP and PA children)

Leadership & Management:

- Inter-school Support (building and implementing peer support processes)

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission and consider all the activities undertaken to further the Academic Trust's purposes to be of public benefit.

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Trustees' Report (continued) for the year ended 31 August 2018

Strategic Report

Achievements and Performance

By July 2019, to have developed AfL practices further so that it better informs learning and teaching, **with a strong focus on progress in lessons**, leading to an increased proportion* of pupils working at ARE and above ARE with a particular focus on 'close the gap' action and Pupil Premium children and target groups as identified in Pupil Progress Meetings.

*Target percentages agreed in Pupil Progress Meetings

Key Performance Indicators

We had a very successful Ofsted Inspection (16 May 2017), which recognised that:

"You and other leaders have maintained the good quality of education in the school since the last inspection. You have built well on the school's many strengths and have taken effective action to deal with weaknesses."

In addition to this, the outcomes for children at the end of KS2 in 2018 were amongst the best we have ever had, and even end of KS1 and Year 1 Phonics Screening outcomes were very strong compared with national outcomes; which is impressive, especially when considering that the school's sociodemographic measures are average.

The outcomes for children at the end of KS2 in 2018 were strong compared with the average national outcome, and even end of KS1 and Year 1 Phonics Screening outcomes were strong compared with national outcomes (which is impressive, especially when considering that the school's sociodemographic measures are average).

Accordingly, considering that our children arrive broadly in line with national averages on entry, and leave us well above at the end of KS2, we believe that we continue to provide good value for money.

KS1	Read ARE+	Read GD	Write ARE+	Write GD	Maths ARE+	Maths GD
National	76%	25%	70%	16%	76%	21%
Coppice	78%	27%	74%	19%	80%	23%

KS2	Read ARE+	Read GD	Write ARE+	Write GD	Maths ARE+	Maths GD
National	75%	25%	78%	18%	76%	23%
Coppice	95%	44%	84%	43%	89%	38%

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Trustees' Report (continued) for the year ended 31 August 2018

Going Concern

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

Financial Review

The Academy Trust updated its Finance Manual, policy and procedures in February 2018, following guidance from the Academies Financial Handbook. Areas of financial control and management covered by the manual include:

- Roles of the Board of trustees, PPF Trustees, Trustees, Responsible Officer and finance staff
- Accounting Principles
- Financial security and backups
- Links to the School Development Plan
- Annual budget procedures including monitoring
- Levels of delegation
- Financial reporting
- Personnel administration including pay and terms and conditions
- Procurement
- Cash management and security
- Fixed assets
- Insurance
- Voluntary Funds

Our funding comes from five main sources:

- 1) School Budget Share (from the ESFA)
- 2) ESG (from the ESFA)
- 3) Pupil premium (from the ESFA)
- 4) Early Years Funding (from the LA)
- 5) Self-generated income from lettings, training, fundraising and nursery extended hours

The Statement of Financial Activities on page 17 presents the income, expenditure and any other recognised gains or losses of the Academy Trust for the year ended 31 August 2018. As noted above, the majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The Trust reports an overall increase in funds for the year of £50,573 (2017: reduction of £195,618). Excluding the Fixed Asset fund and the Pension fund, however, there was a revenue surplus for the year of £14,607 (2017: deficit of £28,865). It should be noted that this revenue position is after a contribution of £38,365 (2017: £43,135) from general funds towards capital spend in the year.

Reserves Policy

The ESFA has granted academies the freedom to keep money aside for when it is needed most and to build up reserves for the full benefit of their current pupils. The PPF Committee has agreed that the Trust should aim to retain in the region of 3% of the budget unless there are exceptional circumstances, which would need to be further authorised by the PPF Committee.

Total funds at 31 August 2018 were £6,055,527 comprised of the Restricted Fixed Asset Fund totalling £6,835,308; the Restricted Pension reserve deficit of (£780,000); and the Restricted General fund totalling £219. The Trust had no unrestricted general funds at the year end.

The revenue surplus for the year referred to above has restored the Restricted General fund from the deficit of £14,388 reported at 31 August 2017.

The Trust is having to continue to carefully manage its expenditure due to the impact of lagged funding in a period of growth but has set a budget to 31 August 2019 indicating reserves are expected to remain in surplus at the end of the next financial year.

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Trustees' Report (continued) for the year ended 31 August 2018

Financial Review (continued)

Investment Policy

The PPF Committee agree any decisions with regard to investment policy. No investments were made this year as cashflow management and easy access to funds was the main priority.

Financial and Risk Management Objectives and Policies

The Academy Trust has an on-going risk management process. Overall responsibility for risk management rests with the Board of trustees. The PPF Committee regularly monitors the type of risk the Academy Trust faces, by monitoring any changing levels of risk and identifying newly emerging risks.

In September 2018, we were asked by the DfE to provide assurances that the Trust was managing its deficit position of £14,388 reported in the 2016/17 financial statements and academy accounts return, and that we expected to report a cumulative surplus in the 2017/18 accounts return. This deficit position at 31 August 2017 was due to the timing of a self-funded capital project (new toilet block) completing early at a cost of £17,740.

Steps taken to address this deficit were:

- Rates rebate of £3,640
- A reduction in budgeted capital spend of £17,740
- Extended nursery hours will bring in an extra income of £61,000
- Sports premium increased by £10,000
- Development of a training hub, which brought in extra income of £16,000

We are in a lagged funding situation of over £100,000 pa (£107,000 in 2017-18), which will be rectified in 2020-21.

We have made good use of the toolkit and suggested websites supplied by the ESFA and initially looked at the School Efficiency Metric Tool, which allows schools to gauge their efficiency based on pupil attainment and the money the school receives.

The DfE define efficiency as the rate at which organisations turn inputs (financial and other resources) into outputs or outcomes. An organisation can become more efficient by producing more outputs with the same level of input; producing the same output with fewer inputs; or by a combination of both. In the 2016/17 School Efficiency Metric tool, the trust achieved the best score, showing excellent efficiency by comparing the high progress the pupils make with how much income the school receives.

We have made progress towards reducing the cumulative deficit of 2016/17 of £14,388 to a cumulative surplus of £219 in 2017/18, and forecast further a cumulative surplus in 2018/19 and 2019/20.

This exercise has been invaluable in showing how the school can make improvements to its financial and staff planning. Initiatives to be implemented are:

- Two year rolling cashflow forecast, which will also help inform the BFRO
- The Trustees to refer to the top ten planning checks when analysing financial planning
- Two internal audits per annum

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Trustees' Report (continued)
for the year ended 31 August 2018

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the trustees have a duty to report information on fundraising practices. The Academy works very closely with the PTA which has raised funds this year for developing the outdoor areas for Nursery and Reception. The Academy does not work with any commercial partners or professional fundraisers. All of the fundraising activities are voluntary in nature, ensuring that there is no undue pressure on parents and stakeholders to donate. No complaints regarding fundraising activities have been received by the Academy.

Plans for Future Periods

To provide an intervention space for Year 5 and Year 6 as well as extending the accommodation of our Care Club.

Funds held as Custodian Trustee on behalf of others

The Academy Trust does not hold any funds as a Custodian Trustee on behalf of others.

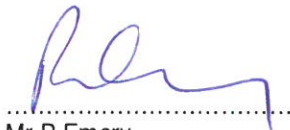
Auditor

In so far as the Trustees are aware:

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

The Trustees have agreed to re-appoint Haines Watts Birmingham LLP as their auditors for the financial year 2018-2019.

Approved by order of the members of the Board of trustees on 19/12/18 and signed on its behalf by:



Mr P Emery
Chair of Trustees

THE COPPICE PRIMARY SCHOOL

Governance Statement for the year ended 31 August 2018

Scope of Responsibility

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

The Board of trustees has delegated the day-to-day responsibility to the Principal, Mr W Heptinstall, 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 the Coppice Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of trustees any material weaknesses or breakdowns in internal control.

Governance

The Governing Body has proved to be an effective force and a critical friend of the school. Trustees visit and observe the teaching practice that occurs and ensures that budgetary expenditure is effective and for the benefit of students.

The Governing Body has formally met four times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr W Heptinstall (Principal and Accounting Officer)	4	4
Mrs C Webster	4	4
Mrs L Howfield	4	4
Miss P Harrison	2	4
Mrs K Byng	3	4
Mr P Emery	3	4
Mrs H Shelley	2	2
Mr N Poole	3	4
Mr M Field	4	4
Mr D Monk	4	4
Mr W Hutt	4	4
Mr R Laight (staff trustee)	4	4
Mrs R Taylor	4	4

The Personnel, Pay and Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Upon becoming an Academy, the Governing Body was re-formed with 15 members. The Governing Body has a number of sub-committees as follows:

PPF	BUILDINGS & GROUNDS	CURRICULUM
Mr P Emery	Mr W Heptinstall	Mr W Hutt
Mr W Heptinstall	Mr R Mace (Associate Member)	Mr D Monk
Mrs L Howfield	Miss P Harrison	Mr R Laight
Miss P Harrison	Mr M Field	Mrs C Webster
Mrs C Webster	Mrs L Howfield	Mr N Poole

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Governance Statement (continued) for the year ended 31 August 2018

The sub-committees are empowered to act on behalf of the Board of trustees but certain decisions require the full Board of trustees. The PPF (Personnel, Pay and Finance) committee has their own terms of reference, which are reviewed annually by the full Board of trustees, and in summary are responsible for:

- Reviewing, agreeing and accepting the budget
- Contributing to the School Development and Action Plan
- Ensuring the school operates in accordance with the Finance Policy
- Pay and conditions of all staff
- Monitoring the budget
- Recommending to the full board of trustees the appointment or reappointment of the auditors of the Academy

Attendance at PPF Meetings:

Trustee	Meetings attended	Out of a possible
Mr P Emery	2	3
Mr W Heptinstall	3	3
Mrs L Howfield	3	3
Miss P Harrison	1	3
Mrs C Webster	3	3

Value for Money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Ensuring value for money by achieving the best possible educational and wider social outcomes through the economic, efficient and effective use of all the resources in the Academy's charge and the avoidance of waste and extravagance.

Seeking professional advice on insurances for the school and obtain best value

The Academy wants to achieve the best value for money from all purchases. The integrity of these funds is maintained by following the general principles of:

- **Probity**, it must be demonstrated that there is no corruption or private gain involved in the contractual relationships of the Academy
- **Accountability**, the Academy is publicly accountable for its expenditure and the conduct of its affairs
- **Fairness**, that all those dealt with by the Academy are dealt with on a fair and equitable basis.

Following a rigorous tender and interview process involving a project manager, quantity surveyor and mechanical and electrical professionals to ensure value for money. We also went out to tender for the catering contract and are confident that the chosen supplier will provide good value, well-balanced nutritional meals.

Building of the new hall and classrooms was completed in April 2014 and has provided a new income generation stream in terms of lettings as well as promoting the school to the wider community.

THE COPPICE PRIMARY SCHOOL

Governance Statement (continued) for the year ended 31 August 2018

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 Trust's 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 The Coppice Primary School for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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 trustees has appointed an internal auditor who completed one audit in 2017-18 and is planned to complete two audits per annum from 2018-19.

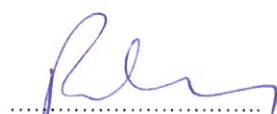
Review of Effectiveness

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

- the work of the School Business Manager;
- the work of the external auditor;
- the internal audit report
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 trustees on 19/12/18 and signed on its behalf by:



Mr P Emery
Chair



Mr W Heptinstall
Accounting Officer

THE COPPICE PRIMARY SCHOOL

Statement on Regularity, Propriety and Compliance
for the year ended 31 August 2018

As Accounting Officer of the Coppice Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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.


.....
Mr W Heptinstall
Accounting Officer

THE COPPICE PRIMARY SCHOOL

Statement of Trustees Responsibilities
for the year ended 31 August 2018

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

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

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


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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 19/12/18 and signed on its behalf by:



P Emery

Chair of Trustees

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Report of the Independent Auditors to the Members of
THE COPPICE PRIMARY SCHOOL

Responsibilities of trustees

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

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

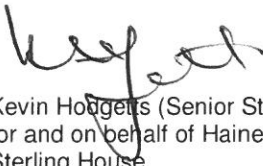
Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date: 20 September 2018

Independent Reporting Accountant's Assurance Report on Regularity to
The Coppice Primary School and the Education and Skills Funding Agency

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

This report is made solely to The Coppice Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Coppice Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Coppice Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across the academy's activities;
- A review of governance procedures;
- A review of financial budgeting and monitoring procedures;
- A review of related/ connected party transactions in accordance with internal processes and the Academies Financial Handbook;
- A review and sample testing of internal financial controls; and
- A review and sample testing of procurement procedures.

Conclusion

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



Haines Watts Birmingham LLP
Sterling House
71 Francis Road
Edgbaston
Birmingham
B16 8SP

Date: 20 September 2018

THE COPPICE PRIMARY SCHOOL

Statement of Financial Activities
for the year ended 31 August 2018

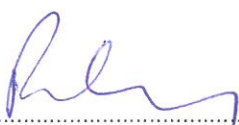
				2018	2017
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds
	Notes	£	£	£	£
Income and endowments from					
Donations and capital grants	2	8,330	-	137,090	145,420
Charitable activities					
Funding for the academy's educational operations	3	-	2,351,493	-	2,351,493
Other trading activities	4	114,559	6,540	-	121,099
Investment income	5	207	-	-	207
Total		123,096	2,358,033	137,090	2,618,219
Expenditure on					
Raising funds	6	64,340	-	-	64,340
Charitable activities					
Academy's educational operations	7	-	2,459,817	197,489	2,657,306
Total	6	64,340	2,459,817	197,489	2,721,646
Net income/(expenditure)		58,756	(101,784)	(60,399)	(103,427)
Transfers between funds	18	(58,756)	20,391	38,365	-
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	154,000	-	154,000
Net movement in funds		-	72,607	(22,034)	50,573
Reconciliation of funds					
Total funds brought forward		-	(852,388)	6,857,342	6,004,954
Total funds carried forward		-	(779,781)	6,835,308	6,004,954

The notes form part of these financial statements

Statement of Financial Position
At 31 August 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	12	6,877,967	6,857,010
Current assets			
Debtors	13	63,381	59,541
Cash at bank		<u>100,467</u>	<u>74,948</u>
		163,848	134,489
Creditors			
Amounts falling due within one year	14	<u>(206,288)</u>	<u>(148,545)</u>
Net current assets/(liabilities)		<u>(42,440)</u>	<u>(14,056)</u>
Total assets less current liabilities		6,835,527	6,842,954
Pension liability	19	<u>(780,000)</u>	<u>(838,000)</u>
Net assets		<u>6,055,527</u>	<u>6,004,954</u>
Funds	18		
Unrestricted funds		-	-
Restricted funds:			
Restricted fixed asset funds		6,835,308	6,857,342
Restricted general fund		219	(14,388)
Pension reserve		<u>(780,000)</u>	<u>(838,000)</u>
		6,055,527	6,004,954
Total funds		<u>6,055,527</u>	<u>6,004,954</u>

The financial statements were approved by the Board of Trustees on 19/12/18 and were signed on its behalf by:


P Emery - Chair of Trustees

Company Number: 07845627

THE COPPICE PRIMARY SCHOOL

Statement of Cash Flows
for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	22	120,320	(1,048)
Interest paid		<u>-</u>	<u>(105)</u>
Net cash provided by (used in) operating activities		<u>120,320</u>	<u>(1,153)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(218,308)	(95,178)
Capital grants from DfE/ESFA		123,300	10,235
Interest received		<u>207</u>	<u>105</u>
Net cash provided by (used in) investing activities		<u>(94,801)</u>	<u>(84,838)</u>
 Change in cash and cash equivalents in the reporting period		 25,519	 (85,991)
Cash and cash equivalents at the beginning of the reporting period		<u>74,948</u>	<u>160,939</u>
 Cash and cash equivalents at the end of the reporting period		<u>100,467</u>	<u>74,948</u>

The notes form part of these financial statements

1. Accounting policies

Basis of preparing the financial statements

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements. Given that the financial statements show a surplus of only £219 on the restricted general fund, and net current liabilities of £42,440, the trustees have considered the budget for the next financial year and the forecast for the year 2019/20 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. Further details on the plans, expectations and forecasts for the foreseeable future are given in the Financial Review section of the Trustees' report.

Income

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

Grants

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

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

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

Donations

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

Other income

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

Donated goods, facilities and services

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

1. Accounting policies - continued

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.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Governance costs

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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

Long leasehold land and buildings	- 50 years (land - not depreciated)
Fixtures, fittings and equipment	- 4 years
ICT equipment	- 4 years

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

Taxation

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

Fund accounting

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

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

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

1. Accounting policies - continued

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and 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 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.

Critical accounting estimates and areas of judgement

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Liabilities

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

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

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	8,330	13,790	22,120	15,498
Grants	-	123,300	123,300	10,232
	<u>8,330</u>	<u>137,090</u>	<u>145,420</u>	<u>25,730</u>

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

	2018 £	2017 £
Capital grants	<u>123,300</u>	<u>10,232</u>
	<u>123,300</u>	<u>10,232</u>

3. Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
General annual grant (GAG)	-	1,896,265	1,896,265	1,770,713
Other DfE/ESFA grants	-	202,748	202,748	189,778
Local authority grants	-	250,360	250,360	108,981
Special educational projects	-	31	31	3,230
Other income	-	2,089	2,089	-
	<u>-</u>	<u>2,351,493</u>	<u>2,351,493</u>	<u>2,072,702</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
School fund income	44,578	-	44,578	2,609
Hire of facilities	28,856	2,540	31,396	24,964
Other income	41,125	4,000	45,125	132,846
	<u>114,559</u>	<u>6,540</u>	<u>121,099</u>	<u>160,419</u>

5. Investment income

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Bank interest received	<u>207</u>	<u>-</u>	<u>207</u>	<u>105</u>

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

6. Expenditure

				2018	2017
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
Expenditure on					
Raising funds					
Direct costs	-	341	63,999	64,340	7,460
Charitable activities					
Academies educational					
operations					
Direct costs	1,690,838	114,130	145,364	1,950,332	1,873,490
Allocated support costs	<u>336,759</u>	<u>99,859</u>	<u>270,356</u>	<u>706,974</u>	<u>603,624</u>
	<u>2,027,597</u>	<u>214,330</u>	<u>479,719</u>	<u>2,721,646</u>	<u>2,484,574</u>

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

	2018	2017
	£	£
Auditors' remuneration	5,500	5,500
Auditors' remuneration for non audit work	2,026	4,607
Depreciation - owned assets	197,351	199,061
Operating leases	<u>5,960</u>	<u>4,058</u>

7. Charitable activities - academy's educational operations

	Unrestricted	Restricted	2018	2017
	funds	funds	Total	Total
	£	£	£	£
Direct costs	-	1,950,332	1,950,332	1,873,490
Support costs	-	<u>706,974</u>	<u>706,974</u>	<u>603,624</u>
	-	<u>2,657,306</u>	<u>2,657,306</u>	<u>2,477,114</u>

	2018	2017
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	336,759	292,244
Technology costs	40,262	1,410
Premises costs	99,859	143,487
Other support costs	195,147	129,053
Governance costs	<u>34,947</u>	<u>37,430</u>
Total support costs	<u>706,974</u>	<u>603,624</u>

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

8. Trustees' remuneration and benefits

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

Remuneration:		
W Heptinstall (Principal and trustee)	£70,000 - £75,000	(2017: £70,000 - £75,000)
R Laight (staff trustee)	£40,000 - £45,000	(2017: £40,000 - £45,000)
W Hutt (staff trustee)	£55,000 - £60,000	(2017: £55,000 - £60,000)
L Howfield (staff trustee)	£25,000 - £30,000	(2017: £25,000 - £30,000)
Employers pension contributions:		
W Heptinstall (Principal and trustee)	£10,000 - £15,000	(2017: £10,000 - £15,000)
R Laight (staff trustee)	£5,000 - £10,000	(2017: £5,000 - £10,000)
W Hutt (staff trustee)	£5,000 - £10,000	(2017: £5,000 - £10,000)
L Howfield (staff trustee)	£0 - £5,000	(2017: £0 - £5,000)

Trustees' expenses

During the period ended 31 August 2018, travel and subsistence expenses totalling £23 (2017: £nil) were reimbursed to trustees.

9. Staff costs

	2018 £	2017 £
Wages and salaries	1,538,637	1,372,461
Social security costs	111,915	108,164
Operating costs of defined benefit pension schemes	<u>368,328</u>	<u>289,558</u>
	2,018,880	1,770,183
Supply teacher costs	<u>8,717</u>	<u>22,684</u>
	<u>2,027,597</u>	<u>1,792,867</u>

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

	2018	2017
Teachers	25	26
Administration and support	62	59
Management	<u>6</u>	<u>2</u>
	<u>93</u>	<u>87</u>

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

	2018	2017
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £295,737 (2017: £268,088).

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

10. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £505 (2017: £1,000)

The cost of this insurance is included in the total insurance cost.

11. Comparatives for the statement of financial activities - 31 August 2017

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Income and endowments from				
Donations and capital grants	1,058	-	24,672	25,730
Charitable activities				
Funding for the academy's educational operations	-	2,072,702	-	2,072,702
Other trading activities	23,975	136,444	-	160,419
Investment income	105	-	-	105
Total	25,138	2,209,146	24,672	2,258,956
Expenditure on				
Raising funds	5,728	1,732	-	7,460
Charitable activities				
Academy's educational operations	-	2,278,052	199,062	2,477,114
Total	5,728	2,279,784	199,062	2,484,574
Net income/(expenditure)	19,410	(70,638)	(174,390)	(225,618)
Transfers between funds	(27,100)	(16,035)	43,135	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	30,000	-	30,000
Net movement in funds	(7,690)	(56,673)	(131,255)	(195,618)
Reconciliation of funds				
Total funds brought forward	7,690	(795,715)	6,988,597	6,200,572
Total funds carried forward	-	(852,388)	6,857,342	6,004,954

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

12. Tangible fixed assets

	Long leasehold land and buildings £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2017	7,224,790	408,443	7,633,233
Additions	<u>187,594</u>	<u>30,714</u>	<u>218,308</u>
At 31 August 2018	<u>7,412,384</u>	<u>439,157</u>	<u>7,851,541</u>
Depreciation			
At 1 September 2017	511,282	264,941	776,223
Charge for year	<u>114,130</u>	<u>83,221</u>	<u>197,351</u>
At 31 August 2018	<u>625,412</u>	<u>348,162</u>	<u>973,574</u>
Net book value			
At 31 August 2018	<u>6,786,972</u>	<u>90,995</u>	<u>6,877,967</u>
At 31 August 2017	<u>6,713,508</u>	<u>143,502</u>	<u>6,857,010</u>

Included in the cost or valuation of land and buildings is leasehold land of £1,610,950 which is not depreciated.

13. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	2,238	-
VAT	15,238	36,516
Prepayments and accrued income	<u>45,905</u>	<u>23,025</u>
	<u>63,381</u>	<u>59,541</u>

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	24,911	21,428
Social security and other taxes	35,213	28,209
Other creditors	28,582	24,184
Accruals and deferred income	<u>117,582</u>	<u>74,724</u>
	<u>206,288</u>	<u>148,545</u>

	2018 £	2017 £
Deferred income at the start of the year	65,131	60,553
Resources deferred in the year	62,455	65,131
Amounts released from previous years	<u>(65,131)</u>	<u>(60,553)</u>
Deferred income at the end of the year	<u>62,455</u>	<u>65,131</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and extended services relating to the 2018/19 academic year.

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

15. Leasing agreements

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

	2018 £	2017 £
Within one year	5,960	5,960
Between one and five years	<u>15,580</u>	<u>21,245</u>
	<u>21,540</u>	<u>27,205</u>

16. Members' liability

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

17. Analysis of net assets between funds

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds 2018 £
Fixed assets	-	-	6,877,967	6,877,967
Current assets	-	163,848	-	163,848
Current liabilities	-	(163,629)	(42,659)	(206,288)
Pension liability	-	<u>(780,000)</u>	-	<u>(780,000)</u>
	<u>-</u>	<u>(779,781)</u>	<u>6,835,308</u>	<u>6,055,527</u>

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

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds 2017 £
Fixed assets	-	-	6,857,010	6,857,010
Current assets	-	134,157	332	134,489
Current liabilities	-	(148,545)	-	(148,545)
Pension liability	-	<u>(838,000)</u>	-	<u>(838,000)</u>
	<u>-</u>	<u>(852,388)</u>	<u>6,857,342</u>	<u>6,004,954</u>

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

18. Movement in funds

	Balance at 1 September 2017 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(15,141)	1,896,262	(1,901,293)	20,391	219
Other DfE/ESFA Grants	-	202,748	(202,748)	-	-
Other restricted funds	753	259,023	(259,776)	-	-
Pension reserve	(838,000)	-	(96,000)	154,000	(780,000)
	<u>(852,388)</u>	<u>2,358,033</u>	<u>(2,459,817)</u>	<u>174,391</u>	<u>(779,781)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	1,827,044	123,300	(197,489)	-	1,752,855
Transfer from LA on conversion	4,308,140	-	-	-	4,308,140
Capital expenditure from GAG	234,132	-	-	38,365	272,497
Private sector capital sponsorship	488,026	13,790	-	-	501,816
	<u>6,857,342</u>	<u>137,090</u>	<u>(197,489)</u>	<u>38,365</u>	<u>6,835,308</u>
Total restricted	<u>6,004,954</u>	<u>2,495,123</u>	<u>(2,657,306)</u>	<u>212,756</u>	<u>6,055,527</u>
Unrestricted funds	<u>-</u>	<u>123,096</u>	<u>(64,340)</u>	<u>(58,756)</u>	<u>-</u>
Total funds	<u><u>6,004,954</u></u>	<u><u>2,618,219</u></u>	<u><u>(2,721,646)</u></u>	<u><u>154,000</u></u>	<u><u>6,055,527</u></u>

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

18. Movement in funds - continued

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department of Education, or other funders.

Restricted Fixed Asset Funds are resources which are applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education, or other funders where the asset acquired or created is held for a specific purpose.

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that could be carried forward at 31 August 2018 or 31 August 2017.

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

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	1,770,713	(1,769,819)	(16,035)	(15,141)
Other DfE/ESFA Grants	-	189,777	(189,777)	-	-
Other restricted funds	285	248,656	(248,188)	-	753
Pension reserve	(796,000)	-	(72,000)	30,000	(838,000)
	<u>(795,715)</u>	<u>2,209,146</u>	<u>(2,279,784)</u>	<u>13,965</u>	<u>(852,388)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	2,015,871	10,235	(199,062)	-	1,827,044
Transfer from LA on conversion	4,308,140	-	-	-	4,308,140
Capital expenditure from GAG	190,997	-	-	43,135	234,132
Private sector capital sponsorship	473,589	14,437	-	-	488,026
	<u>6,988,597</u>	<u>24,672</u>	<u>(199,062)</u>	<u>43,135</u>	<u>6,857,342</u>
Total restricted	<u>6,192,882</u>	<u>2,233,818</u>	<u>(2,478,846)</u>	<u>57,100</u>	<u>6,004,954</u>
Unrestricted funds	<u>7,690</u>	<u>25,138</u>	<u>(5,728)</u>	<u>(27,100)</u>	<u>-</u>
Total funds	<u>6,200,572</u>	<u>2,258,956</u>	<u>(2,484,574)</u>	<u>30,000</u>	<u>6,004,954</u>

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

18. Movement in funds - continued

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

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general fund					
General Annual Grant (GAG)	-	3,666,975	(3,671,112)	4,356	219
Other DfE/ESFA Grants	-	392,525	(392,525)	-	-
Other restricted funds	285	507,679	(507,964)	-	-
	<u>285</u>	<u>4,567,179</u>	<u>(4,571,601)</u>	<u>4,356</u>	<u>219</u>
Restricted pension fund					
Pension reserve	(796,000)	-	(168,000)	184,000	(780,000)
	<u>(795,715)</u>	<u>4,567,179</u>	<u>(4,739,601)</u>	<u>188,356</u>	<u>(779,781)</u>
Restricted fixed asset fund					
DfE/ESFA capital grants	2,015,871	133,535	(396,551)	-	1,752,855
Transfer from LA on conversion	4,308,140	-	-	-	4,308,140
Capital expenditure from GAG	190,997	-	-	81,500	272,497
Private sector capital sponsorship	473,589	28,227	-	-	501,816
	<u>6,988,597</u>	<u>161,762</u>	<u>(396,551)</u>	<u>81,500</u>	<u>6,835,308</u>
Total restricted funds	<u>6,192,882</u>	<u>4,728,941</u>	<u>(5,135,152)</u>	<u>269,856</u>	<u>6,055,527</u>
Unrestricted funds	<u>7,690</u>	<u>148,234</u>	<u>(70,068)</u>	<u>(85,856)</u>	<u>-</u>
Total funds	<u>6,200,572</u>	<u>4,877,175</u>	<u>(5,206,220)</u>	<u>184,000</u>	<u>6,055,527</u>

19. Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Outstanding contributions payable to the scheme as at 31 August 2018 amount to £28,684 (2017: £24,229) and are included within creditors.

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued for the year ended 31 August 2018

19. Pension and similar obligations **- continued**

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 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 pension costs paid to TPS in the period amounted to £224,102 (2017: £200,056).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £115,680 (2017: £117,674) of which employer's contributions totalled £84,349 (2017: £93,681) and employees' contributions totalled £31,330 (2017: £23,993). The agreed contribution rates for future years are 16.48% for employers and between 5.5% and 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.

In February 2014, the trust was notified by Worcester County Council that additional employers contributions are to be introduced from 2014/15 over an 18 year period. These will be phased lump sum contributions and the amounts notified as payable over the next two years are: 2018/19 £32,600 and 2019/20 £33,800.

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

19. Pension and similar obligations
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(1,424,000)	(1,336,000)
Fair value of plan assets	<u>644,000</u>	<u>498,000</u>
	<u>(780,000)</u>	<u>(838,000)</u>
Deficit	<u>(780,000)</u>	<u>(838,000)</u>
Liability	<u>(780,000)</u>	<u>(838,000)</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	192,000	149,000
Net interest from net defined benefit asset/liability	19,000	15,000
Admin expenses	<u>2,000</u>	<u>2,000</u>
	<u>213,000</u>	<u>166,000</u>
Actual return on plan assets	<u>36,000</u>	<u>57,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation - brought forward	1,336,000	1,101,000
Current service cost	192,000	149,000
Contributions by scheme participants	32,000	24,000
Interest cost	32,000	23,000
Benefits paid	(37,000)	4,000
Remeasurements:		
Acturial (gains)/losses	(131,000)	(12,000)
Experience (gain)/loss	-	47,000
	<u>1,424,000</u>	<u>1,336,000</u>

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

19. Pension and similar obligations
- continued

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

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets - brought forward	498,000	305,000
Interest on assets	13,000	8,000
Contributions by employer	117,000	94,000
Contributions by scheme participants	32,000	24,000
Administrative expenses	(2,000)	(2,000)
Benefits paid	(37,000)	4,000
Assets other remeasurement	23,000	65,000
	<u>644,000</u>	<u>498,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial (gains)/losses	131,000	12,000
Experience (gain)/loss	-	(47,000)
Assets other remeasurement	23,000	65,000
	<u>154,000</u>	<u>30,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	495,000	429,000
Bonds	82,000	26,000
Property	30,000	19,000
Cash	14,000	6,000
Other	23,000	18,000
	<u>644,000</u>	<u>498,000</u>

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

	2018	2017
Discount rate	2.8%	2.4%
Future salary increases	3.6%	3.7%
Future pension increases	2.2%	2.2%
Inflation assumption (CPI)	2.1%	2.2%

THE COPPICE PRIMARY SCHOOL

Notes to the Financial Statements - continued
for the year ended 31 August 2018

19. Pension and similar obligations
- continued

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.7	22.6
Females	25.7	25.6
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

Sensitivity analysis as at 31 August 2018

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		+0.1% p.a.	+0.1% p.a.	+ 0.1% p.a.	1 year increase in life expectancy
	£000s	discount rate £000s	inflation £000s	pay growth £000s	£000s
Liabilities	1,424	1,395	1,454	1,426	1,451
Assets	(644)	(644)	(644)	(644)	(644)
Deficit/(Surplus)	780	751	810	782	807
Projected Service Cost for next year	168	164	174	168	172
Projected Net Interest Cost for next year	20	20	21	20	21

20. Contingent liabilities

There were no contingent liabilities as at 31 August 2018 or at 31 August 2017.

21. Related party disclosures

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

There were no related party transactions for the year ended 31 August 2018 other than certain Trustees' remuneration and expenses already disclosed in note 8.

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(103,427)	(225,618)
Adjustments for:		
Depreciation	197,351	199,062
Capital grants from DfE/ESFA	(123,300)	(10,235)
Interest received	(207)	(105)
Interest paid	-	105
Increase in debtors	(3,840)	(16,627)
Increase/(decrease) in creditors	57,743	(19,630)
Difference between pension charge and cash contributions	96,000	72,000
Net cash provided by (used in) operating activities	120,320	(1,048)