

**REGISTERED COMPANY NUMBER: 07721594 (England and Wales)**

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

**THE CORBET SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

McLintocks Limited  
Statutory Auditor  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

**THE CORBET SCHOOL**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 2017**

---

	Page
Reference and Administrative Details	1 to 2
Report of the Governors	3 to 10
Governance Statement	11 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Governors Responsibilities	15
Report of the Independent Auditors	16 to 17
Independent Accountant's Report on Regularity	18
Statement of Financial Activities	19
Balance Sheet	20 to 21
Cash Flow Statement	22
Notes to the Cash Flow Statement	23
Notes to the Financial Statements	24 to 40

---

**THE CORBET SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**MEMBERS**

Mr C J Jones  
Mr J M Golland  
Mr R G Ford - Chairman

**GOVERNORS**

Mr P N Adams Head  
Mrs K J M Bevan (resigned 24.3.17)  
Mr A Davies  
Mr R G Ford  
Mr J M Golland  
Mrs L Jenno (resigned 16.10.17)  
Mr A Johnson (resigned 21.10.16)  
Mr C J Jones  
Mrs H T Scarisbrick – Chair of Governors  
Mr A G Wright  
Mr R D Bothwell  
Ms N H Jebb  
Miss J D Kear  
Mrs V J Hussain  
Mrs N M Hopwood-Clark  
Miss M Hurdley  
Mr S Brown (resigned 16.10.17)  
Mrs F M Gerrard  
Mrs J E Squire (appointed 4.11.16) (resigned 16.10.17)  
Mrs S Appleby (appointed 22.5.17)  
Mr M Sturgess (appointed 10.11.17)

**COMPANY SECRETARY**

Mr K Rendell

**SENIOR MANAGEMENT TEAM**

Mr G Simms Assistant head  
Mr K Rendell Business Manager  
Mrs R V Stokes Assistant Head  
Mr P N Adams Head  
Dr J Tinker Deputy Head  
Mrs A Millward Assistant Head

**REGISTERED OFFICE**

Eyton Lane  
Baschurch  
Shrewsbury  
Shropshire  
SY4 2AX

**REGISTERED COMPANY NUMBER**

07721594 (England and Wales)

**THE CORBET SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

---

**INDEPENDENT AUDITORS**

McLintocks Limited  
Statutory Auditor  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

**SOLICITORS**

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

**BANKERS**

NatWest Bank plc  
17 Church Street  
Oswestry  
Shropshire  
SY11 2SX

## THE CORBET SCHOOL

### REPORT OF THE GOVERNORS for the Year Ended 31 August 2017

---

The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the year ended 31 August 2017. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The charitable objectives for which the charitable company was established are set down in the governing document as follows:

The principal activity of The Corbet School is to establish, maintain and develop a secondary school for children of appropriate school age, offering a broad based and balanced curriculum for the benefit of individuals living in Baschurch and the surrounding area.

In addition it will also provide the public with facilities for recreation or other leisure activities in the interest of social welfare, with the objective of improving the condition of life of the said individuals.

##### **Public benefit**

The Governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefits contained within this governors' annual report.

In accordance with its charitable objectives, the charitable company strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of Academy School's activities, as indicated.

## STRATEGIC REPORT

### Achievement and performance

#### *Charitable activities*

##### Review of Activities & Events

The school has continued to operate as an 11- 16 secondary school serving the area between Shrewsbury and Oswestry centred around the village of Baschurch in Shropshire. The number of pupils has increased slightly to 668 with further increases expected over the next few years. The school was inspected by Ofsted in 2013 and was judged to be 'good with outstanding behaviour' and inspected again in February 2017 when it was judged as 'continuing to be good, with effective safeguarding' .

A grant was received from the Capital Improvement Fund to replace the roofs including the main school block and an area of Design & Technology. Work was delayed by bad weather but is expected to be complete by the end of the Autumn term.

The school has produced both drama and music productions, and arranged a number of trips in support of the curriculum and other extra-curricular activities.

The school has entered sports teams for many local competitions, many of the teams performed very well. We continue to have good relations with our feeder primary schools and have continued to explore the possibility of setting up a multi academy trust with them. Further meetings are planned to continue this collaboration.

##### Impact of Activities & Events and Assessment of Public Benefit

The school yet again achieved very good examination results, which were the best in North Shropshire for the sixth year running. The examination results were good across many subject areas. The key indicators for schools are now Maths 15+64% English 15+ 72%, English & Maths 15+ 58% The figure for 5 standard passes including English and Maths is 72%. All these figures are well above national averages, as was the Ebacc pass rate of 34%. The new measure of Attainment 8 was 51.1 which is above local and national averages. These results were in line with school targets. The school attendance has remained high at 96 %, well above the national average.

Behaviour monitoring showed that over the last 5 years there have been few major problems, there has been a slight in the use of fixed term exclusions, due to very specific circumstances, and they should return to the usual level in the next 12 months. There has again been a slight increase in incidents relating to social Media, but the work we are undertaking in this area does seem to be having an effect.

#### *Key financial performance indicators*

The Governors use the following key measures to assess the success of the activities of the charitable company

- Examination Results
- Attendance Measures
- Behaviour Monitoring
- Achievement against Targets (FFT)
- Financial Monitoring against budget

## STRATEGIC REPORT

### Financial review

#### *Financial position*

Most of the Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ended 31st August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2017, total income amounted to £3,595,967 (2016: £3,670,148) from which was deducted expenditure of £3,538,404 (2016: £3,607,625), leaving a net surplus of £57,563 (2016: £59,515). This surplus has been increased by an actuarial gain on the Local Authority Pension Scheme of £355,000 (2016 loss (£577,000)).

At 31st August 2017 the net book value of fixed assets amounted to £4,682,527 and movements in fixed assets are shown in note 12 to the financial statements. The academy continues to have positive net current assets of £ 456,612 (2016: £224,985) and overall net assets of £3,880,889 (2016 £3,468,3261).

#### *Investment policy and objectives*

The Governors' investment powers are set down in the charitable company's Memorandum and Articles of association, which permits the investment of monies of the charitable company that are not immediately required for its purpose in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The charitable company's current policy is to invest surplus funds in short-term cash deposits, where there is no risk to the capital invested.

#### *Reserves policy*

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the academy had reserves of £3,880,889, including £4,947,953 represented by fixed assets.

In addition the net liability due to the academy's participation in the Local Government Pension Scheme (LGPS) amounts to £1,218,000.

#### *Going concern*

After making appropriate enquiries, the Governors have 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.

## STRATEGIC REPORT

### Financial review

The school continues to monitor finances very closely as funding pressures have an increasing impact on school operations. The school remains successful and is attracting a good level of interest from future pupils. The number on roll has remained stable this year (662 to 668) and is predicted to increase in the next few years.

The level of funding received is primarily based on the number of pupils on roll from the previous October Census, and as pupil numbers increase there is therefore a time lag in funding. The school is aware that there will be a short term funding gap next year. Tight financial management during the current year has enabled a cash surplus of circa £48k to be generated that will be utilised to support the funding gap in 17-18.

Teaching staff levels have been maintained and changes in the mix of support staff have helped gain operational efficiency. A 'Condition Improvement Fund' grant has enabled roof replacement to the main building and the D&T Block,

The building continues to be the main school asset with the Local Government Pension Scheme deficit the main liability.

The school ends the year in a positive financial position, with sufficient cash reserves to cover a temporary planned overspend in 2017/18. The school remains committed to ensuring a long term balanced budget is maintained.

### Principal risks and uncertainties

The school Risk Management Framework accepts that there will be an element of risk in some operations and seeks to manage the risk within acceptable limits. Strategic and operational risk are both considered by the Finance & Premises Committee, which also undertakes the audit function with support of the Responsible Officer.

The principle risks are considered to be:

- Protection of Pupils, Staff and Visitors
- Protection of School Property & Assets
- Fraud & Financial Mismanagement
- Establishing a High Quality Staff
- Security of Data & Information
- Critical Failure ceasing Operations

The risks are actively managed by a programme of Risk Management & Internal Controls.

### Financial and risk management objectives and policies

The school manages the risk to its Capital Funds by limiting investments to Bank/Building Society accounts where there is no risk to the capital invested.

Surplus funds are held in interest bearing accounts and transferred to support expenditure in accordance with the monthly cash flow reconciliation.

The school usually operates on a 30 days credit terms and has monitoring systems in place to manage outstanding amounts.

The Local Government Pension Scheme is the major liability, although this has been underwritten by Central Government.



## **STRATEGIC REPORT**

### **Future plans**

#### Future Strategy

The Governors' long term goal for The Corbet School is for it to remain a very successful rural community comprehensive, delivering the highest quality of education. The school wants to remain popular with local parents and carers, keeping its numbers stable or increasing slightly. The school should be the natural first choice for all pupils in the area. Pupils at the school should continue to achieve highly and make excellent progress. The school will encourage all pupils to achieve to the best of their abilities.

We aim to deepen existing positive relationships with our feeder primary schools, looking for new opportunities to work together. We are exploring the possibility of forming a multi academy trust with our primary schools.

We wish to attract and retain good quality staff, and provide them with excellent opportunities for professional development.

The school will behave in a fiscally responsible manner ensuring that the budget remains balanced. We will also seek to attract additional funding to help improve the fabric of the school.

#### Future Activities

The school will continue to explore and use positively our academy freedoms to enhance the educational experience of students in the school. The school will continue to upgrade and improve its infrastructure as funding becomes available.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Status and History**

The Corbet School is an exempt charity and a company limited by guarantee, not having a share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter. There are 3 members, 2 of whom are also governors.

The principal activity of The Corbet School is to establish, maintain and develop a secondary school for children of appropriate school age, offering a broad based and balanced curriculum for the benefit of individuals living in Baschurch and the surrounding area.

In addition it will also provide the public with facilities for recreation or other leisure activity in the interest of social welfare, with the objective of improving the condition of life of the said individuals.

The Corbet School was originally a local authority operated school, with periods as 'Grant Maintained' and 'Foundation' school. It was founded in 1957 and converted to academy status on 1st September 2011. The charitable company was incorporated on 28th July 2011.

The Academy School is governed by rules and regulations set down in its company Memorandum and Articles of Association dated 8th August 2011.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Method of recruitment and appointment or election of Governors**

The Governors have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New governors will then be sought with these skills, either as additional governors or replacement governors when existing governors stand down. It is anticipated that the great majority of new governors will be drawn from the local community being either parents or guardians of pupils at the school or others that have shown an interest in the future well being of the school and its pupils. Recruitment is therefore likely to be a combination of approaches to individuals with known skills and by wider communications to those within Baschurch and the surrounding area.

There are four categories of Governor, 'Parent', 'Staff', 'Community', and 'Co-opted' Parents and Staff. Governors are nominated by election, with Community and Co-opted Governors by nomination. The term of office for any Governor shall be 4 years, save that this time limit will not apply to the Head Teacher.

The Board of Governors will carry out regular audits to identify skills, knowledge and experience present within the collective. At the time of recruitment the Governors will seek to attract any skills that are missing from the Board collectively.

The Corbet School supports both individual and groups of governors, in attending training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

### **Organisational structure**

The Governors have responsibility for setting and monitoring overall strategic direction of the charitable company, approving decisions reserved to governors and appointing key members of staff.

The Governors meet as a board six times each year. All decisions reserved to the governors are taken by the board as a whole. The main committees also met six times per year, with specific committees only operating when there is a matter arising that meets the Terms of Reference for that committee.

The committees are:

- Finance & Premises
- Curriculum
- Staffing & Personnel
- Admissions
- Heads Performance Review
- Marketing
- Staff Dismissal
- Staff Dismissal Appeals
- Complaints
- Pupil Welfare
- Pupil Discipline

Additionally, ad hoc groups of governors are established to consider specific issues and make recommendations to the board.

The school appoints a Responsible Officer who has an oversight role in relation to the systems and processes of financial control and risk management that operate throughout The Corbet School.

The Head Teacher is the Accounting Officer and works closely with both the other governors and the senior staff of The Corbet School.

The day-to-day management of The Corbet School rests with the Head Teacher who has overall responsibility for the school. The Head Teacher is responsible for ensuring a Senior Leadership Team, including the Deputy Head, Assistant Heads, and the Business Manager.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Operations**

The School Leadership Team, together with other managerial colleagues prepare both annual and long term development plans which are presented for approval to the relevant Committees and the Board of Governors.

Each committee has Terms of Reference, which outline the responsibilities, and the delegated authority limits where applicable. The Terms of Reference are reviewed annually at the start of the academic year.

The Board of Governors consists of 18 Governors including the Head Teacher. There are 4 Staff Governors (including the Head Teacher), 6 Parent Governors, 5 Community Governors and 3 Co-opted Governors. In order for a quorum to be present there must be at least 50% of the Governors present at a meeting. This rises to 2/3rds of those currently in post for the elections to committees which usually takes place during the first Board meeting of the year.

The Finance & Premises Committee has a membership of 6 Governors of which 3 must be present to reach a quorum. The main responsibilities are in respect of financial policy and operations which are detailed in the School Finance Manual, and receiving reports from the Responsible Officer. Premises responsibilities include the maintenance of the estate and all aspects of Health & Safety.

The Curriculum Committee has a membership of 6 Governors of which 3 must be present to reach a quorum. The main responsibilities are in respect of reviewing the school curriculum, setting objectives and monitoring pupil performance against those targets which will include academic, attendance and behaviour measures.

The Staffing & Personnel Committee has a membership 5 Governors of which 3 must be present to reach a quorum. Personnel responsibilities include the annual review of the staff establishment, introduction and review of personnel policies and procedures, together with all industrial relations. Staff members are not eligible to contribute or vote on issues regarding individual staff pay which is also considered by this committee..

The Head Teachers Performance Review Committee has a membership 4 Governors of which 3 must be present to reach a quorum. Staff members are not eligible for this committee. The committee is responsible for the agreement of the Head Teacher's performance objectives after considering advice from the School Improvement Partner. They will also monitor performance against objectives in the Head's performance review.

The Admissions Committee has a membership of 5 Governors of which 3 must be present to reach a quorum. The committee is responsible for the School Admissions Policy and the allocation of school places for the following school year. The committee will also consider appeals from unsuccessful applicants.

The Marketing Committee has a membership of 4 Governors of which 3 must be present to reach a quorum. The committee is responsible for the school marketing including the School Prospectus and mandatory publications.

The Staff Dismissal Committee has a membership of 4 Governors of which 3 must be present to reach a quorum. The Chair of the Board of Governors and Staff members are not eligible for this committee. The committee is involved in the disciplinary and grievance procedures for staff.

The Staff Dismissal Appeals Committee has a membership of 4 Governors of which 3 must be present to reach a quorum. The Chair of the Board of Governors will lead the committee. The committee is responsible for hearing any appeal against a Decision of the Staff Dismissal committee, or any appeal against a decision of another committee, an individual Governor or the Head Teacher.

The Pupil Discipline Committee has a membership of 4 Governors of which 3 must be present to reach a Quorum. The Committee will consider the school principles on discipline and review individual cases of fixed term exclusion.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Operations**

The Complaints Committee has a membership of 4 Governors of which 3 must be present to reach a quorum.. Staff members are not eligible for this committee. The committee shall consider any formal complaint that the Head Teacher and the Chair of Governors have been unable to resolve under the school complaints procedure.

### **Connected organisations, including related party relationships**

The charitable company has no formal links with any related parties, however it does co-operate with other local primary and secondary schools to advance the quality of education for all pupils.

The charitable company does not have representation on any other body.

### **Risk management**

The school employs a risk management framework that incorporates protective procedures, management checks and reporting programmes, which enable the Governing Body to ensure the school exposure to risk is carefully managed within acceptable limits. the programmes are regularly reviewed.

## **FUNDS HELD AS CUSTODIAN FOR OTHERS**

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The Corbet School does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

## **AUDITORS**

The auditors, McLintocks Limited, will be proposed for re-appointment at the Annual General Meeting on 28th November 2017..

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 11 December 2017 and signed on the board's behalf by:

Mrs H T Scarisbrick - Chair of Governors

## THE CORBET SCHOOL

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

---

#### Scope of Responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Corbet School 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 Report of the Governors and in the Statement of Governors Responsibilities. The board of governor's schedules 6 meetings per year, on a half termly basis. Attendance during the year at meetings of the board of governors was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Phil Adams	6	6
Sarah Appleby	1	2
Kirsty Bevan	-	3
Roger Bothwell	6	6
Stuart Brown	6	6
Adrian Davies	6	6
Roger Ford	6	6
Fiona Gerrard	5	6
John Golland	4	6
Nichola Hopwood-Clark	5	6
Shelly Hurdley	6	6
Val Hussain	6	6
Nicola Jebb	6	6
Lindsay Jenno	6	6
Andy Johnson	1	1
Julia Kear	6	6
Helen Scarisbrick	5	6
Julie Squire	5	5
Alan Wright	5	6

The Finance and Premises Committee is a sub-committee of the main board of governors. Its purpose is to provide the finance and management control for the Academy.

Attendance at meetings during the year was as follows:

Phil Adams	6	6
Stuart Brown	5	6
Adrian Davies	6	6
Roger Ford	5	6
John Golland	5	6
Nicola Hopwood-Clark	3	4
Lindsay Jenno	2	2
Andy Johnson	1	1
Helen Scarisbrick	2	2

#### Review of Value for Money

---

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

---

**Review of Value for Money**

As Accounting Officer the Head Teacher has responsibility for ensuring that the Academy continues to deliver value for money 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 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. Data benchmarking and local school comparisons are utilised to drive improvement where available.

The Accounting Officer has delivered improved value for money during the current year in many ways, including the following:-

Natural staff turnover in the Cleaning & Caretaking teams has enabled a change to be made in the staffing structure which created a unified premises team that can provide an improved service at a reduced cost.

Best value procurement and fair competition practices continue to be applied through quotation and tender procedures which are applied to purchases above £1000. Tender processes this year have included Teachers Absence Insurance, IT Server & Hardware, Grounds Maintenance, and a Classroom Print Management System.

The capital funding received to replace the roofs has continued the drive for an improved environment and increased efficiency.

Future capital funding bids will continue to focus on areas that will also contribute to increased efficiency primarily in energy costs.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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 The Corbet School for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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 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.

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

---

**The Risk and Control Framework**

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed McLintocks Accountants, Mr M Caputo, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis the RO performs these checks and reports to the board of Governors on the operation of systems of control and on the discharge of the board of Governors' financial responsibilities. The work of the RO has been in accordance with the requirements of the Financial Regulations and there were no items of significance reported. The RO has been in post at The Corbet School for the year ended 31 August 2017 and has not reported any material weakness in the school's financial operations.

**Review of Effectiveness**

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management 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 audit committee/finance committee and a plan to address minor weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 11 December 2017 and signed on its behalf by:

Mrs H T Scarisbrick - Chair of Governors

Mr P N Adams - Accounting Officer

**THE CORBET SCHOOL**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
for the Year Ended 31 August 2017**

---

As accounting officer of The Corbet School I have considered my responsibility to notify the academy board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2016.

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

.....  
Mr P N Adams - Accounting Officer

Date: .....



## THE CORBET SCHOOL

### STATEMENT OF GOVERNORS RESPONSIBILITIES for the Year Ended 31 August 2017

---

The governors (who act as trustees of The Corbet School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual 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 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 academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those financial statements, the governors 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 2016 to 2017;
- 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 academy will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy 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 academy 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 governors are aware:

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

Approved by order of the board of governors on 11 December 2017 and signed on it's behalf by:

Mrs H T Scarisbrick - Chair of Governors

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE CORBET SCHOOL

---

### Opinion

We have audited the financial statements of The Corbet School (the 'academy') for the year ended 31 August 2017 on pages nineteen to forty. 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 2015 to 2016 issued by the Education Funding Agency (EFA).

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 the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 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.

### Other information

The governors 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 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE CORBET SCHOOL

---

### **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 Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of governors**

As explained more fully in the Statement of Governors Responsibilities set out on page fifteen, the governors (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 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.

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Helen Furlong FCCA (Senior Statutory Auditor)  
for and on behalf of McLintocks Limited  
Statutory Auditor  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

Date: .....

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CORBET 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 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Corbet School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Corbet School's accounting officer and the reporting accountant**

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

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

### **Approach**

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

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

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

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

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

McLintocks Limited  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

Date: .....

THE CORBET SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the Year Ended 31 August 2017

	Notes	Unrestricted fund £	Restricted funds £	Fixed assets £	Total 2017 funds £	Total 2016 funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	-	-	240,868	240,868	177,509
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	3,291,845	-	3,291,845	3,429,426
Other trading activities	4	37,160	19,142	-	56,302	56,153
Investment income	5	<u>6,952</u>	<u>-</u>	<u>-</u>	<u>6,952</u>	<u>7,060</u>
<b>Total</b>		<b>44,112</b>	<b>3,310,987</b>	<b>240,868</b>	<b>3,595,967</b>	<b>3,670,148</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	4,311	-	-	4,311	3,008
<b>Charitable activities</b>						
Academy's educational operations		<u>-</u>	<u>3,389,926</u>	<u>144,167</u>	<u>3,534,093</u>	<u>3,607,625</u>
<b>Total</b>	6	<b>4,311</b>	<b>3,389,926</b>	<b>144,167</b>	<b>3,538,404</b>	<b>3,610,633</b>
<b>NET INCOME/(EXPENDITURE)</b>						
		39,801	(78,939)	96,701	57,563	59,515
<b>Transfers between funds</b>	20	<u>(9,107)</u>	<u>(91,178)</u>	<u>100,285</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>355,000</u>	<u>-</u>	<u>355,000</u>	<u>(577,000)</u>
<b>Net movement in funds</b>		<b>30,694</b>	<b>184,883</b>	<b>196,986</b>	<b>412,563</b>	<b>(517,485)</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>120,242</u>	<u>(1,402,883)</u>	<u>4,750,967</u>	<u>3,468,326</u>	<u>3,985,811</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>150,936</u></u>	<u><u>(1,218,000)</u></u>	<u><u>4,947,953</u></u>	<u><u>3,880,889</u></u>	<u><u>3,468,326</u></u>

The notes form part of these financial statements

THE CORBET SCHOOL

**BALANCE SHEET**  
At 31 August 2017

	Notes	Unrestricted fund £	Restricted funds £	Fixed assets £	2017 Total funds £	2016 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	13	-	-	4,682,527	4,682,527	4,722,341
<b>CURRENT ASSETS</b>						
Stocks	14	-	-	-	-	865
Debtors	15	-	56,865	-	56,865	24,541
Cash at bank and in hand		150,936	70,598	311,677	533,211	304,555
		150,936	127,463	311,677	590,076	329,961
<b>CREDITORS</b>						
Amounts falling due within one year	16	-	(127,463)	(6,001)	(133,464)	(104,976)
<b>NET CURRENT ASSETS</b>		<u>150,936</u>	<u>-</u>	<u>305,676</u>	<u>456,612</u>	<u>224,985</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		150,936	-	4,988,203	5,139,139	4,947,326
<b>CREDITORS</b>						
Amounts falling due after more than one year	17	-	-	(40,250)	(40,250)	-
<b>PENSION LIABILITY</b>	21	-	(1,218,000)	-	(1,218,000)	(1,479,000)
<b>NET ASSETS</b>		<u>150,936</u>	<u>(1,218,000)</u>	<u>4,947,953</u>	<u>3,880,889</u>	<u>3,468,326</u>
<b>FUNDS</b>						
Unrestricted funds:	20					
General fund					150,936	120,242
Restricted funds:						
General					-	76,117
Fixed assets					4,947,953	4,750,967
Pension reserve					(1,218,000)	(1,479,000)
					<u>3,729,953</u>	<u>3,348,084</u>
<b>TOTAL FUNDS</b>					<u>3,880,889</u>	<u>3,468,326</u>

The notes form part of these financial statements

**THE CORBET SCHOOL**

**BALANCE SHEET - CONTINUED**

**At 31 August 2017**

---

The financial statements were approved by the Board of Governors on 11 December 2017 and were signed on its behalf by:

Mrs H T Scarisbrick –Chair of Governors

The notes form part of these financial statements

---

**THE CORBET SCHOOL****CASH FLOW STATEMENT  
for the Year Ended 31 August 2017**

---

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>39,216</u>	<u>33,043</u>
<b>Net cash provided by (used in) operating activities</b>		<u>39,216</u>	<u>33,043</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(97,726)	(160,163)
Capital grants from DfE/EFA		240,869	177,509
Interest received		<u>47</u>	<u>310</u>
<b>Net cash provided by (used in) investing activities</b>		<u>143,190</u>	<u>17,656</u>
<b>Cash flows from financing activities:</b>			
New loans in year		48,000	-
Loan repayments in year		<u>(1,750)</u>	<u>-</u>
<b>Net cash provided by (used in) financing activities</b>		<u>46,250</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>228,656</u>	<u>50,699</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>304,555</u>	<u>253,856</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>533,211</u>	<u>304,555</u>

The notes form part of these financial statements



NOTES TO THE CASH FLOW STATEMENT  
for the Year Ended 31 August 2017

---

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

	2017 £	2016 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	57,563	59,515
<b>Adjustments for:</b>		
Depreciation	137,540	155,966
Capital grants from DfE/EFA	(240,869)	(177,509)
Interest received	(47)	(310)
Decrease in stocks	865	-
(Increase)/decrease in debtors	(32,324)	262
Increase/(decrease) in creditors	22,488	(53,881)
Difference between pension charge and cash contributions	<u>94,000</u>	<u>49,000</u>
<b>Net cash provided by (used in) operating activities</b>	<u>39,216</u>	<u>33,043</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	110	126
Notice deposits (less than 3 months)	<u>533,101</u>	<u>304,429</u>
<b>Total cash and cash equivalents</b>	<u>533,211</u>	<u>304,555</u>

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Corbet School meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date the Academy had net assets of £3,881k after providing for long term pension scheme commitments of £1,218k in respect of the support staff defined benefit pension scheme and net current assets of £457k.

The Governors have reviewed and approved budgets and cashflow forecasts for 2017/18 and future years, and consider in the light of this review that it is appropriate to prepare financial statements on a going concern basis.

### **Income**

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

**1. ACCOUNTING POLICIES - continued**

**Other income**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities**

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

**Governance costs**

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

**Tangible fixed assets**

Tangible fixed assets costing £1,000 or more are capitalised at cost 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 trust'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/reducing balance basis over its expected useful life, as follows:

Land	Not depreciated
Freehold buildings	2% straight line
Fixtures, fittings and equipment	15-20% straight line
ICT equipment	20-33.3% straight line
Property improvements	5% straight line

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

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

1. **ACCOUNTING POLICIES - continued**

**Taxation**

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

**Fund accounting**

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and the Department for Education.

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

**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 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**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.

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

**Concessionary Loans**

Concessionary loans are initially recognised as a liability at the amount received, with the carrying amount being adjusted in subsequent years to reflect repayments made.

---

1. **ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest.

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

---

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2017**

---

**1. ACCOUNTING POLICIES - continued**

**Leased assets**

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

**Critical accounting estimates and assumptions**

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

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing 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 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 29, will impact the carrying amount of the pension liability.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pension liability at 31 August 2016. 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.

**2. DONATIONS AND CAPITAL GRANTS**

	2017 £	2016 £
Grants	<u>240,868</u>	<u>177,509</u>

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

	2017 £	2016 £
DfE/ESFA capital grants	240,868	17,509
Capital maintenance fund	<u>-</u>	<u>160,000</u>
	<u>240,868</u>	<u>177,509</u>

THE CORBET SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	3,079,888	3,079,888	3,219,526
Other DfE/ESFA Grants	-	<u>108,856</u>	<u>108,856</u>	<u>109,996</u>
	-	3,188,744	3,188,744	3,329,522
<b>Other government grant</b>				
Special educational projects	-	95,608	95,608	85,032
<b>Local Authority grants</b>				
Other grants	-	<u>7,493</u>	<u>7,493</u>	<u>14,872</u>
	-	<u>3,291,845</u>	<u>3,291,845</u>	<u>3,429,426</u>

4. OTHER TRADING ACTIVITIES

	2017 £	2016 £
Other income	3,944	3,134
Hire of facilities	3,230	5,416
Catering income	14,162	12,198
Reprographic sales	3,886	3,867
Recharge of services	<u>31,080</u>	<u>31,538</u>
	<u>56,302</u>	<u>56,153</u>

5. INVESTMENT INCOME

	2017 £	2016 £
Rents received	6,905	6,750
Deposit account interest	<u>47</u>	<u>310</u>
	<u>6,952</u>	<u>7,060</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

6. EXPENDITURE

		Non-pay expenditure		2017	2016
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Raising funds</b>					
Costs incurred by trading for a fundraising purpose	-	-	2,598	2,598	2,055
Costs of investment management	-	-	1,713	1,713	953
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	2,049,283	-	296,248	2,345,531	2,387,728
Allocated support costs	<u>834,440</u>	<u>46,819</u>	<u>307,303</u>	<u>1,188,562</u>	<u>1,219,897</u>
	<u>2,883,723</u>	<u>46,819</u>	<u>607,862</u>	<u>3,538,404</u>	<u>3,610,633</u>

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

	2017	2016
	£	£
Audit fees	4,750	4,590
Other non-audit services	2,678	1,703
Depreciation - owned assets	137,540	155,967
Hire of plant and machinery	<u>14,328</u>	<u>15,411</u>

7. RAISING FUNDS

Costs of investment management

	2017	2016
	£	£
Corbet House costs	<u>1,713</u>	<u>953</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2017 Total funds	2016 Total funds
	£	£	£	£
Direct costs	-	2,345,531	2,345,531	2,387,728
Support costs	-	<u>1,188,562</u>	<u>1,188,562</u>	<u>1,219,897</u>
	-	<u>3,534,093</u>	<u>3,534,093</u>	<u>3,607,625</u>



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2017**

---

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

	2017 Total £	2016 Total £
<b>Analysis of support costs</b>		
Support staff costs	834,440	803,921
Technology costs	62,342	48,827
Premises costs	46,819	76,155
Other support costs	237,533	284,701
Governance costs	<u>7,428</u>	<u>6,293</u>
<b>Total support costs</b>	<u><u>1,188,562</u></u>	<u><u>1,219,897</u></u>

**9. GOVERNORS' REMUNERATION AND BENEFITS**

There were no governors' remuneration or other benefits for the year ended 31 August 2017 nor for the year ended 31 August 2016.

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

P Adams (principal and trustee)

Remuneration £75,000 - £80,000 (2016: £75,000 - £80,000)

Employers pension contributions paid £10,000 - £15,000 (2016: £10,000 - £15,000)

F Gerrard (staff trustee)

Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000)

Employers pension contributions paid £5,000 - £10,000 (2016: £5,000 - £10,000)

J Kear (staff trustee)

Remuneration £20,000 - £25,000 (2016: £20,000 - £25,000)

Employers pension contributions paid £0 - £5,000 (2016: £0 - £5,000)

**Governors' expenses**

There were no governors expenses paid for the year ended 31 August 2017 (2016: £NIL).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

**10. STAFF COSTS**

	2017 £	2016 £
Wages and salaries	2,215,191	2,240,941
Social security costs	202,486	171,692
Operating costs of defined benefit pension schemes	<u>433,052</u>	<u>377,388</u>
	2,850,729	2,790,021
Supply teacher costs	<u>32,994</u>	<u>84,916</u>
	<u><u>2,883,723</u></u>	<u><u>2,874,937</u></u>

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

	2017	2016
Teachers	33	34
Administration and support	31	36
Management	<u>6</u>	<u>6</u>
	<u><u>70</u></u>	<u><u>76</u></u>

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

	2017	2016
£60,001 - £70,000	1	-
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u><u>2</u></u>	<u><u>1</u></u>

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the academy comprises the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £413,479 (2016 £402,820)

**11. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2017

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Fixed assets £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	-	177,509	177,509
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	3,429,426	-	3,429,426
Other trading activities	42,908	13,245	-	56,153
Investment income	7,060	-	-	7,060
<b>Total</b>	49,968	3,442,671	177,509	3,670,148
<b>EXPENDITURE ON</b>				
Raising funds	3,008	-	-	3,008
<b>Charitable activities</b>				
Academy's educational operations	-	3,451,659	155,966	3,607,625
<b>Total</b>	3,008	3,451,659	155,966	3,610,633
<b>NET INCOME/(EXPENDITURE)</b>	46,960	(8,988)	21,543	59,515
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	(577,000)	-	(577,000)
<b>Net movement in funds</b>	46,960	(585,988)	21,543	(517,485)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	73,282	(816,895)	4,729,424	3,985,811
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>120,242</u>	<u>(1,402,883)</u>	<u>4,750,967</u>	<u>3,468,326</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvement s to property £	Fixtures, fittings and equipment £	Computer equipment £	Totals £
<b>COST</b>					
At 1 September 2016	4,535,066	566,568	224,583	124,186	5,450,403
Additions	-	80,137	5,179	12,410	97,726
	<u>4,535,066</u>	<u>646,705</u>	<u>229,762</u>	<u>136,596</u>	<u>5,548,129</u>
At 31 August 2017	<u>4,535,066</u>	<u>646,705</u>	<u>229,762</u>	<u>136,596</u>	<u>5,548,129</u>
<b>DEPRECIATION</b>					
At 1 September 2016	396,618	52,370	180,748	98,326	728,062
Charge for year	79,256	28,819	18,105	11,360	137,540
	<u>475,874</u>	<u>81,189</u>	<u>198,853</u>	<u>109,686</u>	<u>865,602</u>
At 31 August 2017	<u>475,874</u>	<u>81,189</u>	<u>198,853</u>	<u>109,686</u>	<u>865,602</u>
<b>NET BOOK VALUE</b>					
At 31 August 2017	<u>4,059,192</u>	<u>565,516</u>	<u>30,909</u>	<u>26,910</u>	<u>4,682,527</u>
At 31 August 2016	<u>4,138,448</u>	<u>514,198</u>	<u>43,835</u>	<u>25,860</u>	<u>4,722,341</u>

The land and buildings were valued by DTZ on conversion to an academy in September 2011 and are included in the financial statements at this valuation. Included within Freehold Land and Buildings is land valued at £569,000.

14. STOCKS

	2017 £	2016 £
Stationery and uniforms	<u>-</u>	<u>865</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	5,965	554
Other debtors	749	-
VAT	26,253	4,740
Prepayments and accrued income	<u>23,898</u>	<u>19,247</u>
	<u>56,865</u>	<u>24,541</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Other loans (see note 18)	6,000	-
Trade creditors	58,238	15,311
Accruals and deferred income	<u>69,226</u>	<u>89,665</u>
	<u>133,464</u>	<u>104,976</u>

**Deferred income**

Movement in deferred income is as follows:

	2017 £	2016 £
Deferred income at 1 September 2016	14,820	8,739
Amounts received in the year	7,807	14,820
Amounts credited to statement of financial activities	<u>(14,820)</u>	<u>(8,739)</u>
Deferred Income at 31 August 2017	<u>7,807</u>	<u>14,820</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017 £	2016 £
Other loans (see note 18)	<u>40,250</u>	<u>-</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Other loans	<u>6,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>24,000</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans	<u>16,250</u>	<u>-</u>

The above loans are Salix loans received from the EFA. These loans are repayable over 8 years and are interest free.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2017

**19. 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.

**20. MOVEMENT IN FUNDS**

	At 1.9.16 £	Incoming resources £	Resources expended £	Gains losses and transfers £	At 31.8.17 £
Restricted general funds					
General Annual Grant (GAG)	76,117	3,079,888	(3,064,827)	(91,178)	-
Other DfE/EFA grants	-	204,463	(204,463)	-	-
Local authority grants	-	26,635	(26,635)	-	-
Pension reserve	(1,479,000)	-	(94,000)	355,000	(1,218,000)
	<u>(1,402,883)</u>	<u>3,310,986</u>	<u>(3,389,925)</u>	<u>263,822</u>	<u>(1,218,000)</u>
Restricted fixed asset funds					
Transfer on conversion	4,138,509	-	(79,309)	-	4,059,200
DfE/EFA capital grants	612,458	240,869	(64,859)	100,285	888,753
	<u>4,750,967</u>	<u>240,869</u>	<u>(144,168)</u>	<u>100,285</u>	<u>4,947,953</u>
Unrestricted funds					
General funds	<u>120,242</u>	<u>44,112</u>	<u>(4,311)</u>	<u>(9,107)</u>	<u>150,936</u>
	<u>3468,326</u>	<u>3,655,584</u>	<u>(3,610,633)</u>	<u>(577,000)</u>	<u>3,453,762</u>
Total					

**21. PENSION AND SIMILAR OBLIGATIONS****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.

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

*Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the valuations about the value of future costs, design of benefits and 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) Direction 2014. The valuation report was published by the Department for Education of 9 June 2014

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date £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 and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed normal rate of return is 5.06%

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

21. PENSION AND SIMILAR OBLIGATIONS  
- continued

**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 2017 was £145,897, of which employer's contributions totalled £115,243 and employees' contributions totalled £30,654. The agreed contribution rates for future years are 17.9% for employers and variable rate 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**

	2017	2016
Rate of increase in salaries	3.7%	3.3%
Rate of increase for pensions in payment	2.2%	1.9%
Discount rate for scheme liabilities	2.4%	2.1%
Inflation assumption (CPI)	2.2%	1.8%

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

	2017	2016
<b>Retiring today</b>		
Males	23	23.9
Females	26.2	26.4
<b>Retiring in 20 years</b>		
Males	25.2	26.2
Females	28.5	29.2

**Sensitivity analysis**

	2017 £000	2016 £000
Discount rate +0.1%	2,155	2,331
Salary growth +.01%	2,208	2,402
Mortality assumption - 1 year increase	2,236	2,423
CPI rate +0.1%	2,240	2,436

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

	Fair value 2017 £000	Fair value 2016 £000
Equities	501	481
Government bonds	-	-
Other bonds	230	178
Property	47	47
Cash	46	15
Other	155	183
<b>Total market value of assets</b>	<b>979</b>	<b>904</b>

The actual return on scheme assets was £126,000 (2016: £105,000)



NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

21. PENSION AND SIMILAR OBLIGATIONS  
- continued

Local government pension scheme

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	177	124
Net interest cost	29	33
Administration expenses	3	2
	<u>209</u>	<u>156</u>

Changes in the present value of defined benefit obligations were as follows:

	2017 £000	2016 £000
<b>At 1 September</b>	2,383	1,5180
Current service cost	177	124
Interest cost	48	62
Employee contribution	31	30
Actuarial (gain)/loss	(279)	653
Benefits paid	(163)	(4)
	<u>2,197</u>	<u>2,383</u>

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

	£000	£000
<b>At 1 September</b>	904	665
Interest on plan assets	19	29
Actuarial gain/(loss)	76	76
Administration expenses	(3)	(2)
Employer contribution	115	110
Employee contribution	31	30
Benefits paid	(163)	(4)
	<u>979</u>	<u>904</u>

22. CONTINGENT LIABILITIES

The Trustees are not aware of any such instances being in existence.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

---

**23. CAPITAL COMMITMENTS**

	2017 £	2016 £
Contracted but not provided for in the financial statements	<u>298,000</u>	<u>16,000</u>

**24. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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 and normal procurement procedures. The following related party transaction took place in the period of account.