

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Members	P C Harland N J Linsell J J Hinns
Trustees	P C Harland, Chair ^{1,2,3} N J Linsell, Vice Chair ¹ S E Cowell, Headteacher J E Bourne ^{1,3} S Carter (appointed 13 September 2016) ² B M Dudman ³ J C Falaki ² L Fleming ³ J Heal (resigned 15 November 2016) J J Hinns ^{2,3} Z C McCormick (appointed 8 February 2017) ² A Morton ¹

- 1 Resources Committee
- 2 School Improvement Committee
- 3 Every Person Matters Committee

Company registered number	08714241
Company name	Shaw Ridge Primary School
Senior Leadership Team	S Cowell, Headteacher J Lee, Deputy Headteacher S Godwin, Teacher L Olnier, Teacher E Fewings, SENCO K Jeffrey, Teacher H Stephen, Teacher
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
Bankers	Lloyds Bank plc Old Town Swindon SN1 3EN
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in West Swindon. It has a pupil capacity of 420 and had a roll of 405 in the school census on 5 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy was incorporated on 2 October 2013 and opened as an Academy on 1 November 2013. It is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Shaw Ridge Primary School Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Shaw Ridge Primary School.

Details of the Trustees who served throughout the year, except as noted, 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 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 3 Trustees who are subscriber members;
- Up to 3 Parent Trustees who are elected by Parents/Carers of registered pupils at the Academy;
- Up to 2 staff Trustees elected by staff at the Academy (made up of 1 elected by teaching staff and 1 elected by non-teaching staff);
- Up to 2 Community Trustees who are appointed by Link Academy Collaborative Trust; and
- The Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows:

- Resources Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Assurance Officer and drafting the annual budget. This committee is also responsible for and has oversight of the upkeep and maintenance of the physical structure of the school. It also incorporates the role of an audit committee;
- School Improvement Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment;
- Admissions Committee - this meets as required to deal with all matters relating to admissions; and
- Every Person Matters Committee – this meets once a term to deal with all staffing and pastoral matters including but not limited to the welfare and safeguarding of pupils with special educational needs, pupils in receipt of pupil premium funding and looked after children.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Academy has a leadership structure which consists of the Trustees, the Strategic Team, the Senior Leadership Team and Subject Co-ordinators. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. A summary of the responsibilities at each level is given in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Academy is a member of the Link Academy Collaborative Trust which comprises four primary schools; Millbrook Primary School, Peatmoor Primary School, Shaw Ridge Primary School and Westlea Primary School. The LACT Trust Board is comprised of the Headteacher and the Chair of Trustees of each member school plus external experts in school improvement and finance.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees, the Strategic Team and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely, and details of remuneration paid to the Strategic Team and Senior Leadership Team are disclosed in the notes to the accounts, as are details of Trustees' expenses and related party transactions. The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

Connected Organisations, including Related Party Relationships

Mr Philip Harland, Chair of Governors, is also a director of a related party, Your Logo Limited, a company which supply school uniform. Your Logo Limited supply uniform directly to parents/carers through their offices and/or website. Your Logo Limited as a company have no influence on the decisions or operations of Shaw Ridge Primary School. For more information regarding related party relationships please refer to Note 24.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Shaw Ridge Primary School to provide free education and care for pupils of different abilities.

The aims of the Academy during the period ended 31 August 2017 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective learners;
- To develop the Academy site so that it enables students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To maximise the number of students who achieve at least age related expectations and are secondary ready by the time they leave KS2;
- To provide value for money for the funds expended;
- To develop greater coherence, clarity and effectiveness in school systems;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce;
- To develop the Academy's capacity to manage change; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Shaw Ridge Primary School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

Key priorities for the year are contained in our Strategic Action Plan which is available from the Academy Office. Improvement focuses for this year include:

- Developing attainment and progress in writing at Key Stage 2;
- Embedding and building upon early progress in maths throughout KS1;
- Increasing the number of pupils achieving and exceeding age related expectations through quality first teaching and targeted interventions;
- Ensure that all groups of children have equal access to education by working with parents through Achievement for All methodology to reduce barriers to learning;
- Ensure all statutory and LA requirements for Child Protection and Safeguarding are implemented; and
- Embed the new leadership structure with responsibilities for monitoring and improving teaching and learning being shared between the leadership team.

Key activities and targets were identified in the Strategic Action Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- Review of numeracy, literacy and ICT capability;
- Review of staffing levels in the light of budgetary pressure;
- Further development of the intranet to support administration and communication;
- Continued development of systems for tracking and monitoring pupil attainment; and
- Range of activities to promote community cohesion and support of other charities' activities.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fourth year of operation and we have seen a slight increase in the number of students to 405. The Academy is full in four year groups and has a waiting list in operation. No class has more than 30 pupils, and there are two classes in each year group.

Our children's learning behaviour, conduct around school, knowledge of how to keep safe and confidence in adults keeping them safe is consistently at least good. Absence and persistent absence continue to be better than national average due to close attention to and high importance being given to attendance figures.

Levels of GLD have been above average in each of the last four years and there is no significant difference between boys and girls. Outcomes for disadvantaged children in EYFS are good.

End of Y1 phonics scores have been above average in each of the last four years with no significant gender difference over time and a rapidly improving picture for Disadvantaged children. The proportion of children reaching ARE by the end of Y2 is at least in line with national averages in all measures since academy conversion with most being above. In 2017, 71.6% of pupils achieved expected levels in the combined reading/writing/maths measure. Reading, writing and maths individually were in line or above local and national figures.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

In KS2 in 2017 our combined score of 61.1% achieving standard was in line with the national figure and our greater depth figure of 16.7% was significantly above the local average. Our GPS score of 76% achieving standard was broadly in line with local and national figures. Reading, at 70.4%; Writing, at 72.2% and Maths at 74.1% were broadly in line with national figures. Particularly pleasing was the number of pupils attaining the higher level of attainment in writing which was 5% above the national figure.

Our derived scale scores for 2017 were: Reading 103 (National 104.4), GPS 104.7(National 106) and Maths 104.2 (National 104.2). 69% of our pupil premium children achieved or exceeded the expected level in Reading and Maths and 62% in Writing. In terms of gender, the gap between girls and boys in RWM compared to the national figures indicates that we are broadly in line. Attainment scores for pupils with EAL exceed national figures at expected and greater depth.

In 2017, our progress between KS1 and KS2 was measured as: Reading (0.02), Writing (0.82), Maths (0.98). This is at or above national averages in all areas.

Many parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, drama and trips out of school.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Strategic Team and the Senior Leadership Team.

Staff members have received high quality CPD through the collaborative teaching groups that we have established. Working with partner schools we are continually addressing training needs. Two staff members are currently undertaking national professional leadership qualifications.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date, in particular, the management of spending against General Annual Grant (GAG). In the period under review, £22,580 was carried forward representing 1.6% of GAG. As an Academy the school no longer has the financial back up of the local authority should it be required in emergency situations. It is therefore essential that sufficient reserves are held to cover any such situations.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016/2017 were 405, being slightly higher than 2015/2016. It is anticipated that this number will stay the same next year. Given that the school has a capacity for 420 pupils the closer to this the number on roll is, the more financially efficient the school can be.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

During the year ended 31 August 2017, total expenditure of £1,785,078 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,709,291 (excluding restricted fixed asset funds). The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £75,787.

At 31 August 2017 the net book value of fixed assets was £3,767,381 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 March 2014 at £3,980,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Asset Control & Accountability Policy, Charging & Remissions Policy, Competitive Tendering Policy, Investment Policy, Reserves Policy, and Risk Management Policy.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately 2 months' salary costs which are approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total free reserves of the Academy amount to £253,493. The amount is represented as £230,913 of unrestricted funds and £22,580 of unspent GAG and is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2 months of normal recurring expenditure.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income.

Investment Policy

The Academy's aim is to spend the public monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow. Where the surplus is deemed to be significant and long-term, funds may be invested in Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 12 weeks, upon agreement of the Governing Body.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Principal Risks And Uncertainties

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Trustees acknowledge that upcoming financial periods are likely to be challenging and will ensure that income and expenditure budgets are managed to ensure that target level of reserves continue to be maintained.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed, as well as ensuring successes are publicised in local press when possible and appropriate.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Strategic Action Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

Insurance provision has been arranged with a limit of Indemnity of £5,000,000.

AUDITORS

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.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 5 December 2017 and signed on the board's behalf by:



**P C Harland
Chair of Trustees**

**SHAW RIDGE PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Shaw Ridge 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 Headteacher, 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 Shaw Ridge Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P C Harland, Chair	7	7
N J Linsell, Vice Chair	7	7
S E Cowell, Headteacher	7	7
J E Bourne	7	7
J J Hinns	7	7
B M Dudman	6	7
J C Falaki	4	7
L Fleming	5	7
J Heal	0	2
S Carter	7	7
Z McCormick	3	4
A Morton	7	7

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Assurance Officer and drafting the annual budget. This committee is also responsible for and has oversight of the upkeep and maintenance of the physical structure of the school.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Bourne	4	6
P Harland	6	6
N Linsell	6	6
A Morton	6	6
S Cowell	6	6

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- The continuing professional development and training of all staff remains a high priority and during the year we have expanded our sharing of training resources and facilities within the LACT in order to maximize savings. This year, not only have we collaboratively trained teachers but we have extended this to include training for teaching assistants across the four schools. We have also jointly purchased consultancy services to benefit from discounted costs;
- We have continued to work in conjunction with several local schools including the local secondary school, to use the increased buying power to help drive down the price of paper, a known high-usage, variable cost item. This action has allowed us to realise a significant saving, with the price fixed for six months. Companies have been loath to commit for longer due to market uncertainties. We are also investigating other joint contracts for items such as waste management, catering supplies provision, and cleaning supplies;
- A significant reduction was achieved on the purchase price of a financial management and budgeting software programme because of joint working with other LACT schools and with our accounting support service company;
- Buying into the Achievement For All programme has enabled SLT to receive training which has been disseminated to other staff. All children have benefitted, and the specific targeted children have shown significant progress from being part of the scheme; and
- Purchasing ongoing online access to safeguarding training has enabled this critical training to be delivered in a 1:1, measurable, cost-effective manner to all staff regardless of when they commence employment during the year.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Shaw Ridge Primary School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

This process is regularly reviewed by the Board of Trustees.

**SHAW RIDGE PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Financial Services 4 Schools Limited as Internal Assurance Officer.

The Internal Assurance Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a semi-annual basis, the Internal Assurance Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and there is an ongoing programme to ensure continuous review and improvement of the system if required.

The Academy was randomly chosen for a review of the company records for both payroll and benefits by HM Revenue and Customs, and their conclusions were that the records are being kept in a very accurate and clear way with no issues arising.

Approved by order of the members of the Board of Trustees on 5 December 2017 and signed on their behalf, by:



**P C Harland
Chair of Trustees**



**S Cowell
Accounting Officer**

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Shaw Ridge Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



S Cowell
Accounting Officer

Date: 5 December 2017

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Shaw Ridge Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**P C Harland
Chair of Trustees**

Date: 5 December 2017

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
RIDGE PRIMARY SCHOOL**

OPINION

We have audited the financial statements of Shaw Ridge Primary School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
RIDGE PRIMARY SCHOOL**

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
RIDGE PRIMARY SCHOOL**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



John Talbot FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

14 December 2017

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHAW RIDGE
PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 June 2014 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 Shaw Ridge Primary School during the year 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 Shaw Ridge 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 Shaw Ridge 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 Shaw Ridge Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SHAW RIDGE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Shaw Ridge Primary School's funding agreement with the Secretary of State for Education dated 19 December 2012, 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 year 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHAW RIDGE
PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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



John Talbot FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 14 December 2017

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	775	14,997	-	15,772	20,004
Charitable activities	5	37,220	1,624,788	-	1,662,008	1,708,665
Other trading activities	3	31,257	-	-	31,257	22,168
Investments	4	254	-	-	254	353
TOTAL INCOME		69,506	1,639,785	-	1,709,291	1,751,190
EXPENDITURE ON:						
Charitable activities		62,414	1,722,664	99,908	1,884,986	1,804,084
TOTAL EXPENDITURE	6	62,414	1,722,664	99,908	1,884,986	1,804,084
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	7,092	(82,879)	(99,908)	(175,695)	(52,894)
		-	(32,613)	32,613	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		7,092	(115,492)	(67,295)	(175,695)	(52,894)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	264,000	-	264,000	(191,000)
NET MOVEMENT IN FUNDS		7,092	148,508	(67,295)	88,305	(243,894)
RECONCILIATION OF FUNDS:						
Total funds brought forward		223,821	(368,928)	3,834,676	3,689,569	3,933,463
TOTAL FUNDS CARRIED FORWARD		230,913	(220,420)	3,767,381	3,777,874	3,689,569

The notes on pages 23 to 42 form part of these financial statements.

SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08714241

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		3,767,381		3,834,676
CURRENT ASSETS					
Debtors	14	65,869		49,440	
Cash at bank and in hand		331,177		385,646	
			<u>397,046</u>	<u>435,086</u>	
CREDITORS: amounts falling due within one year	15	(143,553)		(140,193)	
NET CURRENT ASSETS			<u>253,493</u>		<u>294,893</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,020,874</u>		<u>4,129,569</u>
Defined benefit pension scheme liability	22		(243,000)		(440,000)
NET ASSETS			<u><u>3,777,874</u></u>		<u><u>3,689,569</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	22,580		71,072	
Fixed asset funds	17	3,767,381		3,834,676	
			<u>3,789,961</u>	<u>3,905,748</u>	
Restricted funds excluding pension liability					
Pension reserve		(243,000)		(440,000)	
			<u>3,546,961</u>	<u>3,465,748</u>	
Total restricted funds					
Unrestricted funds	17		230,913		223,821
TOTAL FUNDS			<u><u>3,777,874</u></u>		<u><u>3,689,569</u></u>

The financial statements on pages 20 to 42 were approved by the Trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:



Philip Harland
Chair of Trustees

The notes on pages 23 to 42 form part of these financial statements.

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(22,110)</u>	<u>133,642</u>
Cash flows from investing activities:			
Interest received		254	353
Purchase of tangible fixed assets		<u>(32,613)</u>	<u>(9,641)</u>
Net cash used in investing activities		<u>(32,359)</u>	<u>(9,288)</u>
Change in cash and cash equivalents in the year		(54,469)	124,354
Cash and cash equivalents brought forward		<u>385,646</u>	<u>261,292</u>
Cash and cash equivalents carried forward	20	<u><u>331,177</u></u>	<u><u>385,646</u></u>

The notes on pages 23 to 42 form part of these financial statements.

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

Shaw Ridge Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Shaw Ridge Primary School, Ridge Green, Shaw, Swindon, SN5 5PU.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.3 GOING CONCERN

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

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 grant are reflected in the balance 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 are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

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 and services.

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

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion the Academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

Long-term leasehold property	-	50 years straight line
Long term leasehold land	-	125 years straight line
Fixtures and fittings	-	5-10 years straight line
Computer equipment	-	3 years straight line

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

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES AND PROVISIONS

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

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.10 TAXATION

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

1.11 FINANCIAL INSTRUMENTS

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

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

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

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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 net income / expenditure 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.

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.13 FUND ACCOUNTING

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

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

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

1.14 OPERATING LEASES

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

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	775	14,997	-	15,772	20,004
<i>Total 2016</i>	-	20,004	-	20,004	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	25,672	-	25,672	20,676
Reimbursement from other schools	5,585	-	5,585	1,492
	31,257	-	31,257	22,168
<i>Total 2016</i>	22,168	-	22,168	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	254	-	254	353
<i>Total 2016</i>	353	-	353	

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,399,102	1,399,102	1,422,538
Other DfE/ESFA grants	-	182,775	182,775	192,031
	-	1,581,877	1,581,877	1,614,569
Other Government grants				
High Needs	-	42,911	42,911	55,398
	-	42,911	42,911	55,398
Other funding				
Internal catering income	20,830	-	20,830	21,686
Sales to students	7,990	-	7,990	9,233
Other	8,400	-	8,400	7,779
	37,220	-	37,220	38,698
	37,220	1,624,788	1,662,008	1,708,665
<i>Total 2016</i>	37,948	1,670,717	1,708,665	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Activities:					
Direct costs	1,204,925	99,908	88,596	1,393,429	1,322,699
Support costs	208,199	35,884	247,474	491,557	481,385
	1,413,124	135,792	336,070	1,884,986	1,804,084
<i>Total 2016</i>	1,316,522	189,074	298,488	1,804,084	

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7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension costs	10,000	9,000
Educational supplies	32,899	45,517
Other costs	42,617	36,730
Supply teachers	5,842	8,383
Technology costs	3,080	4,871
Wages and salaries	924,482	893,487
National insurance	72,459	56,563
Pension cost	202,142	170,602
Depreciation	99,908	97,546
	<u>1,393,429</u>	<u>1,322,699</u>
<i>Total 2016</i>	<u>1,322,699</u>	

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Staff development	11,804	12,797
Other costs	-	802
Recruitment and support	1,521	1,313
Maintenance of premises and equipment	22,576	36,983
Cleaning	13,308	10,118
Rents and rates	13,024	13,513
Energy costs	23,756	18,301
Insurance	10,728	13,185
Security and transport	113	578
Catering	83,588	78,298
Technology costs	19,248	11,022
Office overheads	14,341	15,285
Legal and professional	58,807	68,195
Bank interest and charges	32	62
Governance	4,670	5,063
Wages and salaries	160,033	157,265
National insurance	7,998	6,420
Pension cost	46,010	32,185
	<u>491,557</u>	<u>481,385</u>
<i>Total 2016</i>	<u>481,385</u>	

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9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets: - owned by the charity	99,908	97,546
Auditors' remuneration	4,650	4,650
Auditors' remuneration - non audit	1,750	1,750
Operating lease rentals	7,812	7,812
	<u>7,812</u>	<u>7,812</u>

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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,078,673	1,042,369
Social security costs	80,457	62,983
Operating costs of defined benefit pension schemes	248,152	202,787
	<u>1,407,282</u>	<u>1,308,139</u>
Supply teacher costs	5,842	8,383
	<u>1,413,124</u>	<u>1,316,522</u>

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

	2017 No.	2016 No.
Teachers	21	19
Educational Support	33	32
Administration and Clerical	27	27
Management	2	2
	<u>83</u>	<u>80</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	17	15
Educational Support	14	16
Administration and Clerical	5	8
Management	2	2
	<u>38</u>	<u>41</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions for this member amounted to £11,312 (2016: £11,089).

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £395,773 (2016: £358,098).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: S Cowell: Remuneration £65,000 - £70,000 (2016: £65,000 - £70,000), Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000), B Dudman: Remuneration £5,000 - £10,000 (2016: £5,000 - £10,000), Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000), N Sly: Remuneration £Nil (2016: £45,000 - £50,000), Employer's pension contributions £Nil (2016: £0 - £5,000), S Carter: Remuneration £25,000 - £30,000 (2016: £Nil), Employer's pension contributions £0 - £5,000 (2016: £Nil).

During the year ended 31 August 2017, expenses totalling £113 (2016: £280) were reimbursed to 1 Trustee (2016: 2).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £250 (2016: £250).

13. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures and Fitting £	Computer Equipment £	Total £
COST				
At 1 September 2016	4,020,473	26,680	45,995	4,093,148
Additions	-	15,731	16,882	32,613
At 31 August 2017	<u>4,020,473</u>	<u>42,411</u>	<u>62,877</u>	<u>4,125,761</u>
DEPRECIATION				
At 1 September 2016	224,428	6,187	27,857	258,472
Charge for the year	79,248	6,961	13,699	99,908
At 31 August 2017	<u>303,676</u>	<u>13,148</u>	<u>41,556</u>	<u>358,380</u>
NET BOOK VALUE				
At 31 August 2017	<u>3,716,797</u>	<u>29,263</u>	<u>21,321</u>	<u>3,767,381</u>
At 31 August 2016	<u>3,796,045</u>	<u>20,493</u>	<u>18,138</u>	<u>3,834,676</u>

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14. DEBTORS

	2017 £	2016 £
Trade debtors	5,353	3,396
VAT debtor	11,955	3,195
Prepayments and accrued income	48,561	42,849
	<u>65,869</u>	<u>49,440</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	32,598	12,844
Other taxation and social security	20,603	19,509
Other creditors	23,647	22,595
Accruals and deferred income	66,705	85,245
	<u>143,553</u>	<u>140,193</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	43,881	44,751
Resources deferred during the year	46,223	43,881
Amounts released from previous years	(43,881)	(44,751)
Deferred income at 31 August 2017	<u>46,223</u>	<u>43,881</u>

Deferred income of £46,223 at 31 August 2017 relates to funding received for Universal Infant Free School Meals and donations for school trips to take place in the 2017/18 academic year.

16. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	331,177	385,646
Financial assets measured at amortised cost	28,223	28,499
	<u>359,400</u>	<u>414,145</u>
Financial liabilities measured at amortised cost	<u>53,440</u>	<u>54,208</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise accrued income and trade debtors.

Financial liabilities measured at amortised cost comprise accruals and trade creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	223,821	69,506	(62,414)	-	-	230,913
RESTRICTED FUNDS						
General Annual Grant (GAG)	71,072	1,399,102	(1,423,335)	(24,259)	-	22,580
Universal Infant Free School Meals income	-	66,861	(66,861)	-	-	-
Pupil Premium	-	97,925	(97,925)	-	-	-
High needs income	-	42,911	(42,911)	-	-	-
Donations	-	14,997	(14,997)	-	-	-
Other DfE/ESFA grants	-	9,635	(9,635)	-	-	-
Devolved formula capital	-	8,354	-	(8,354)	-	-
Pension reserve	(440,000)	-	(67,000)	-	264,000	(243,000)
	(368,928)	1,639,785	(1,722,664)	(32,613)	264,000	(220,420)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	3,793,697	-	(79,793)	-	-	3,713,904
Fixed assets purchased from GAG and other restricted funds	40,979	-	(20,115)	32,613	-	53,477
	3,834,676	-	(99,908)	32,613	-	3,767,381
Total restricted funds	3,465,748	1,639,785	(1,822,572)	-	264,000	3,546,961
Total of funds	3,689,569	1,709,291	(1,884,986)	-	264,000	3,777,874

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General Funds	199,040	60,469	(35,688)	-	-	223,821
	199,040	60,469	(35,688)	-	-	223,821

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17. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	31,842	1,422,806	(1,373,935)	(9,641)	-	71,072
Universal Infant Free School Meals income	-	64,676	(64,676)	-	-	-
Pupil Premium	-	109,072	(109,072)	-	-	-
High needs income	-	55,398	(55,398)	-	-	-
Donations	-	7,549	(7,549)	-	-	-
Supply insurance income	-	750	(750)	-	-	-
Other DfE/ESFA grants	-	9,650	(9,650)	-	-	-
Devolved formula capital	-	8,365	(8,365)	-	-	-
Educational visits income	-	12,455	(12,455)	-	-	-
Pension reserve	(220,000)	-	(29,000)	-	(191,000)	(440,000)
	<u>(188,158)</u>	<u>1,690,721</u>	<u>(1,670,850)</u>	<u>(9,641)</u>	<u>(191,000)</u>	<u>(368,928)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	3,875,431	-	(81,734)	-	-	3,793,697
Fixed assets purchased from GAG and other restricted funds	47,150	-	(15,812)	9,641	-	40,979
	<u>3,922,581</u>	<u>-</u>	<u>(97,546)</u>	<u>9,641</u>	<u>-</u>	<u>3,834,676</u>
Total restricted funds	<u>3,734,423</u>	<u>1,690,721</u>	<u>(1,768,396)</u>	<u>-</u>	<u>(191,000)</u>	<u>3,465,748</u>
Total of funds	<u>3,933,463</u>	<u>1,751,190</u>	<u>(1,804,084)</u>	<u>-</u>	<u>(191,000)</u>	<u>3,689,569</u>

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Universal Infant Free School Meals (UIFSM) - Funding from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Donations (school trips) - Contributions towards school trips.

Local Authority - Includes High Needs funding to fund further support for pupils with additional needs and additional Pupil Premium funding received from the Local Authority.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

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17. STATEMENT OF FUNDS (continued)

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy from the Local Authority.

Fixed assets purchased from restricted funds represents amounts spent on fixed assets from GAG and DFC received from the ESFA and other restricted donations.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,767,381	3,767,381
Current assets	230,913	166,133	-	397,046
Creditors due within one year	-	(143,553)	-	(143,553)
Pension scheme liability	-	(243,000)	-	(243,000)
	<u>230,913</u>	<u>(220,420)</u>	<u>3,767,381</u>	<u>3,777,874</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	3,834,676	3,834,676
Current assets	223,821	211,265	-	435,086
Creditors due within one year	-	(140,193)	-	(140,193)
Provisions for liabilities and charges	-	(440,000)	-	(440,000)
	<u>223,821</u>	<u>(368,928)</u>	<u>3,834,676</u>	<u>3,689,569</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(175,695)	(52,894)
Adjustment for:		
Depreciation charges	99,908	97,546
Interest received	(254)	(353)
(Increase)/decrease in debtors	(16,429)	60,792
Increase/(decrease) in creditors	3,360	(449)
Defined benefit pension scheme cost less contributions payable	57,000	20,000
Defined benefit pension scheme finance cost	10,000	9,000
Net cash (used in)/provided by operating activities	(22,110)	133,642

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	331,177	385,646
	331,177	385,646

21. 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.

**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £7,930 were payable to the schemes at 31 August 2017 (2016: £7,640) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £108,876 (2016: £111,016).

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

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22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £99,000 (2016: £91,000), of which employer's contributions totalled £79,000 (2016: £72,000) and employees' contributions totalled £20,000 (2016: £19,000). The agreed contribution rates for future years are 21.9% for employers and 5.5% to 6.8% 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
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	533,000	407,000
Debt instruments	105,000	85,000
Property	98,000	68,000
Cash	15,000	5,000
	<u>751,000</u>	<u>565,000</u>
Total market value of assets	<u>751,000</u>	<u>565,000</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(136,000)	(92,000)
Interest income	12,000	17,000
Interest cost	(22,000)	(26,000)
	<u>(146,000)</u>	<u>(101,000)</u>
Total	<u>(146,000)</u>	<u>(101,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	1,005,000	638,000
Current service cost	136,000	92,000
Interest cost	22,000	26,000
Employee contributions	20,000	19,000
Actuarial (gains)/losses	(188,000)	231,000
Benefits paid	(1,000)	(1,000)
	<u>994,000</u>	<u>1,005,000</u>
Closing defined benefit obligation	<u>994,000</u>	<u>1,005,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	565,000	418,000
Interest income	12,000	17,000
Actuarial losses	76,000	40,000
Employer contributions	79,000	72,000
Employee contributions	20,000	19,000
Benefits paid	(1,000)	(1,000)
	<u>751,000</u>	<u>565,000</u>
Closing fair value of scheme assets	<u>751,000</u>	<u>565,000</u>

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23. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	7,812	7,812
Between 1 and 5 years	1,953	9,765
Total	9,765	17,577

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year purchases of items of school uniform totalling £Nil (2016: £337) were made from Your Logo Limited, a company of whom Philip Harland, a Trustee, is a director.

At the year end £240 (2016: £Nil) was due from Millbrook Primary School, Westlea Primary School and Peatmoor Community Primary School.

At the year end £286 (2016: £Nil) was due to Millbrook Primary School relating to training fees.

The Academy is a member of the Link Academies Collaborative Trust with Peatmoor Community Primary School, Westlea Primary School and Millbrook Primary School. Income and expenditure with these schools in the year were as follows:

	Expenditure £			
	Shaw Ridge	Millbrook	Westlea	Peatmoor
Income £				
Shaw Ridge	X	0	240	273
Millbrook	2,660	X	2,711	3,541
Westlea	636	594	X	212
Peatmoor	273	10,182	53	X

25. CONTROLLING PARTY

The Company is under joint control of the Trustees and therefore there is no ultimate controlling party.