

**Company Registration No. 07318714 (England and Wales)**

**ABBAY ACADEMIES TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

# **ABBEY ACADEMIES TRUST**

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# ABBEY ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mr C Bates (Resigned 6 February 2017)  
Mr P Gandy (Resigned 6 February 2017)  
Mr S Haigh  
Mrs J Hilder (Vice Chair of Trustees)  
Mr J Kirkman (Chair of Trustees)  
Father P Lister  
Mr D Page  
Mr D Pickering  
Mrs S L Buttress (Resigned 6 February 2017)  
Mrs K Key  
Mrs S Kelby (Resigned 6 February 2017)  
Father C Atkinson  
Mrs J Derrick (Resigned 6 February 2017)  
Mrs S J Moore (Accounting Officer)  
Mr N Brompton (Appointed 1 September 2016 and resigned 6 February 2017)

### Members

Mr J A Kirkman  
Mr D A Pickering  
Father P Lister  
Mrs J Waters-Dewhurst

### Senior management team during the financial year

- Executive Headteacher	Mrs S J Moore
- Head of School - BAPA	Mrs S Buttress
- Head of School - BEPPA	Mr N Brompton
- Deputy Head	Mrs L Orme
- Deputy Head	Mrs M Shears
- Assistant Head	Miss L Ockwell
- Assistant Head	Mr P Bellamy
- Assistant Head	Miss K Aldiss
- Assistant Head	Mr S Brunt
- Assistant Head	Mrs L Abbey
- SENCO	Mrs L Leafe
- Business Manager	Mrs S J Bates
- Chief Financial Officer	Mrs J King
- Accounting Officer	Mrs S J Moore

### Company secretary

Mrs S J Bates

### Company registration number

07318714 (England and Wales)

### Registered office

Abbey Road  
Bourne  
Lincolnshire  
PE10 9EP

# ABBEY ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Academies operated**

Bourne Abbey Church of England Primary Academy (BAPA) Bourne  
Bourne Elsea Park Church of England Primary Academy Bourne  
(BEPPA)

**Location****Executive Headteacher**

Mrs S J Moore

Mrs S J Moore

**Independent auditor**

Rawlinsons Chartered Accountants  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

**Bankers**

National Westminster PLC  
4 North Street  
Bourne  
Lincolnshire  
PE10 9EB



# ABBEY ACADEMIES TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **Structure, governance and management**

##### Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust.

The trustees of Abbey Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

From the articles to provide indemnity insurance to cover the liability of governors which by virtue of any rule of law should otherwise attach to them in respect of any negligence, 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 in breach of trust or breach of duty, and provided also that any such insurance shall not extend to costs of any unsuccessful defence to a criminal prosecution against the trustees in their capacity as trustees.

##### Method of recruitment and appointment or election of trustees

Subject to Articles 48 - 49 and 64, the academy trust shall have the following trustees:

- a. Not less than 9 trustees, appointed under Article 50
- b. Up to 2 Staff Governors, if appointed under Article 50A
- c. 2 Parent Governors appointed under Articles 53-58. A Parent Governor must be a parent of the pupil at the Academy at the time when he is elected;
- d. The Principal;
- e. Any Additional Governors, if appointed under Article 62, 62A or 68A; and
- f. Any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor appointed under Article 59.

The term of office for any Governor (other than Co-opted Governors under Article 59) shall be 4 years, save that this time limit shall not apply to the Principal, the Diocesan Bishop, the Incumbent, the Area Dean. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

A Local Governing Board (LGB) for each individual school was established during the year to undertake the day to day running of each school in line with the agreed Scheme of Delegation.

##### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary induction provides training on charity and educational legal and financial matters. All trustees and governors are provided with copies of terms of reference, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and governors.

# ABBEY ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Organisational structure

The organisational structure of the trust consists of four levels: The members, trustees, governors and the senior leadership team. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trust is governed by the board of trustees which delegates functions as appropriate to the local governing body of each academy.

The trustees are responsible for all areas covered under the funding agreements and all areas of statutory responsibility appertaining to the trust which include setting general policy, adopting an annual improvement plan for both academies and budget for the trust, monitoring the academies by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The governors of each academy are responsible for monitoring the performance of their academy, focusing on academic standards and leadership. This includes regular scrutiny and challenge of the Executive Headteacher and senior leadership team. The Chief Financial Officer is the lead officer responsible for finance and reports to the local governing body on financial performance against delegated budget levels.

The Executive Headteacher and senior leadership team at each academy are responsible at an executive level for implementing the policies as agreed by the trustees and any local operating procedures as approved by the local governing bodies. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

#### Arrangements for setting pay and remuneration of key management personnel

The policy for teacher's pay sets out the framework for making decisions on teachers' pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff.

The policy for support staff pay sets out the framework for making decisions on support staff pay. It has been developed to comply with current legislation and has been consulted on with staff.

In adopting these pay policies the aim is to:

- maintain the quality of teaching and learning at each academy.
- support the academy improvement plans.
- underpin the trust's appraisal policy.
- ensure that all staff are valued and appropriately rewarded for their work contribution in the trust.
- ensure staff are well motivated, supported by positive recruitment and retention policies and staff development.
- demonstrate that decisions on pay are fair and equitable and recognise the principle of equal pay for like work and work of equal value.
- provide flexibility to recognise individual staff performance linked to pay decisions.

Pay decisions at the trust are made by the Trust Board in consultation with the Executive Headteacher.

#### Related parties and other connected charities and organisations

Transactions with related parties are detailed in note 24.

# ABBEY ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Objectives and activities**

#### Objects and aims

The principal objective and activity of Abbey Academies Trust is to provide education for pupils of different abilities between the ages of 2 and 11 years and to further support the national and local school improvement agenda.

Abbey Academies Trust is a Multi Academy Trust (MAT) which includes Bourne Abbey Church of England Primary Academy and Bourne Elsea Park Church of England Primary Academy.

The Executive Headteacher of Abbey Academies Trust leads the partnership of the two schools. Each academy has its own Head of School to oversee its day-to-day running although this position is currently vacant at Bourne Elsea Park. There has successfully been created a sense of shared identity and common purpose which also promotes and preserves each academy's individual character and ethos.

As Church of England academies, pupils at Bourne Abbey and Bourne Elsea Park are encouraged to strive for excellence in the core subjects, but to broaden their education, to embrace and develop the concepts of faith and spirituality, of hope and charity and to enable them to make informed decisions later in life as broad-minded and knowledgeable British and world citizens.

The Executive Headteacher is a National Leader (NLE) and Bourne Abbey is deemed a National Support School (NSS). Bourne Abbey as NLE/NSS works on an improvement agenda with other named schools which are often identified by the Local Authority, Diocese and DfE as being in need of support.

The main objectives of Abbey Academies Trust during the year ended 31 August 2017 are summarised below.

- to ensure every pupil enjoys consistently high quality education and that resourcing, tuition and care meets their individual needs to achieve this.
- to continue to raise the standard of educational achievement and attainment for all pupils.
- to improve the effectiveness of both academies by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to comply with all appropriate statutory safeguarding and curriculum requirements.
- to maintain close links with the local community including other local schools.
- to have a role in sharing and developing good practice and training new teachers.
- to conduct Abbey Academies Trust's business in accordance with the highest standards of integrity, probity and openness.

#### Objectives, strategies and activities

The main strategy across Abbey Academies Trust, which includes both academies, is encompassed in our mission statement which is 'Striving for Excellence – Caring for All within a loving and caring Christian environment'. To this end the activities provided include:

- being proactive in trying to ensure that all pupils' abilities and preferred learning styles are identified with appropriate learning and teaching strategies employed across all areas of the curriculum.
- quality learning opportunities for all pupils to ensure high levels of attainment and achievement in the core subjects and across a broad curriculum, including day/residential visits and many after school sporting, creative, environmental, scientific and leisure opportunities.
- a programme of Personal, Social and Health Education which includes Behaviour and Discipline procedures.
- ensuring all appropriate Safeguarding Procedures are in place and regularly monitored to ensure maximum effectiveness.

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

# **ABBEY ACADEMIES TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Strategic report**

#### **Achievements and performance**

Abbey Academies Trust (previously Bourne Abbey Church of England Primary Academy)) is in its seventh year of operation as an academy and continues to set strategic goals related to achievement, attainment, engagement and provision. These goals are monitored closely by the governing body.

#### **Bourne Abbey C of E Primary Academy**

2017 – Outcomes (based on school calculated data (validated by Education Advisor), LA data and national data indicate that we have maintained overall high standards in attainment and achievement.

The majority of pupils are leaving the school above and well above national outcomes from starting points on entry to the school which are generally low compared to the ages and stages of development expected nationally. This demonstrates that virtually all pupils are making at least good progress and often outstanding progress in their primary education at Bourne Abbey C of E Primary Academy.

#### **Bourne Elsea Park C of E Primary Academy**

2017 – Outcomes (based on school calculated data (validated by Education Advisor)), LA data and national data.

- Pupils have made overall good and outstanding progress during the Foundation Stage. Pupils were, on entry, below national expectations (moderated against Bourne Abbey and LA figures).
- Attainment is very high in all Early Learning Goals.
- Initial assessments were made of all pupils at their date of entry into BEPPA which varied considerably over the year. Progress has been carefully measured and monitored throughout the year.
- From their point of entry into BEPPA, pupils have made good and better progress from their initial assessments.
- Matched EYFS outcomes where these were available set alongside evidence of progress since joining Bourne Elsea Park, indicate that the majority of pupils have made good and better progress.

#### **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the trustees continue to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

The academy trust held fund balances at 31 August 2017 of £6,227,032 comprising £5,729,361 of restricted funds and £497,671 of unrestricted funds. Of the restricted funds, £6,437,690 is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £738,000 in deficit.



# ABBEY ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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Whilst an element of education funding is ring-fenced, in real terms per pupil funding is reducing year on year. Increases in staff salaries and pension contributions are not reflected in GAG income.

#### Key performance Indicators:

- The trust is on a sound financial footing and follows strict guidelines outlined in its best value statement. All financial decisions are based on providing 'quality provision' and prioritising this to levels of funding available and expected over a three year forecast.
- The trust keeps a regular overview of its finances and details reports to trustees and governors.
- The trust has appointed Rawlinsons to perform the Responsible Officer role. The Responsible Officer meets regularly with the Chief Financial Officer and the Executive Headteacher in line with good practice and academy regulations.
- The trustees and governors regularly monitor, review and approve budget statements and plans. Trustees' and governors' advice and approval is always sought for major financial commitments.
- Key budget allocations and spending decisions are all linked to the Academy Improvement Plan. However, if a new initiative that will improve the academy becomes available, it will be reviewed by all members of the school community, including the financial implications and either approved or not. The trustees have the final approval. The unrestricted funds can be used to offset the financial implications of an initiative and funds raised by the PTFA can also be allocated. There are mini budgets within the main budget, i.e. Professional Development, Phase allocations.

The trustees fully understand what Abbey Academies Trust does well and where it could improve. They have achieved this understanding by receiving clear information from the Executive Headteacher/Senior Leaders/ Local authority and national sources in the form of documentation, training, discussions at meetings, and by their own visits to the academies. As a result, they are informed about what happens in school, how this can be compared and benchmarked locally and nationally and are able to provide the necessary support and challenge in making strategically important decisions.

#### Reserves policy

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months unrestricted expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the academy trust's current activities whilst consideration is given to ways in which additional funds may be raised. The level of unrestricted reserves at the end of the year amounted to £497,671 and currently exceeds this value. The Enterprise and Development leader is currently spearheading a plan to provide a 0-5 Early Years Provision on site which £450,000 of the unrestricted reserves has been designated for.

The level of restricted funds at the year end, excluding the restricted fixed asset fund and pension reserve, amounts to £29,671. The trustees consider an appropriate level of restricted general reserves to be approximately 5% of GAG income.

The academy is also confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

#### Investment policy and powers

Under the Memorandum and Articles of Association, the trust has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Principal risks and uncertainties

The trustees are responsible for identifying risks faced by the trust, establishing procedures to mitigate these risks, and ensuring that employees are aware of the procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

# ABBEY ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Plans for future periods

Abbey Academies Trust will continue to strive and improve levels of achievement and attainment for all its pupils whilst providing a high quality caring and nurturing educational environment for all and working in pursuit of community cohesion. The trust also deems its work in pursuit of sharing and developing good practice and training new teachers through the work of Bourne Abbey as NLE/NSS to be a core part of its activity.

The trust aims to provide opportunity to enhance the educational environment in the academic year 2017/18 by;

- Completing plans to re-locate the Kindergarten provision at Bourne Abbey into an extended Nursery building to enhance and further develop EYFS provision.

Comprehensive Academy Improvement Plans have been drawn up for Bourne Abbey and Bourne Elsea Park based on clear identification and analysis of need.

These plans have been presented to the trustees and will be monitored throughout the year.

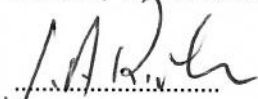
### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 29.11.17 and signed on its behalf by:

  
.....  
Mr J Kirkman  
Chair of Trustees

# ABBEY ACADEMIES TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Abbey Academies Trust 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 Executive 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 Abbey Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of possible
Mr C Bates (Resigned 6 February 2017)	4	4
Mr P Gandy (Resigned 6 February 2017)	4	4
Mr S Haigh	4	4
Mrs J Hilder (Vice Chair of Trustees)	4	4
Mr J Kirkman (Chair of Trustees)	4	4
Father P Lister	4	4
Mr D Page	3	4
Mr D Pickering	4	4
Mrs S L Buttress (Resigned 6 February 2017)	4	4
Mrs K Key	4	4
Mrs S Kelby (Resigned 6 February 2017)	4	4
Father C Atkinson	2	4
Mrs J Derrick (Resigned 6 February 2017)	4	4
Mrs S J Moore (Accounting Officer)	4	4
Mr N Brompton (Appointed 1 September 2016 and resigned 6 February 2017)	4	4

The Abbey Academies Trust Board became effective during the summer term of 2016-17 and replaced the main board noted above.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Father C Atkinson	0	2
Mr S Haigh	2	2
Mrs J Hilder	2	2
Mrs K Key	2	2
Mr J Kirkman	2	2
Father P Lister	2	2
Mrs S J Moore	2	2
Mr D Page	2	2
Mr D A Pickering	1	2

# ABBEY ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

The finance committee is a sub-committee of the main board of trustees. Its purpose is to provide guidance and assistance to the Executive Headteacher and the board of trustees in all matters relating to budgeting and finance. This sub committee was disbanded as part of the restructure and its function is now covered by both the Local Governing Boards and the main Trust Board.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr C Bates (Resigned 6 February 2017)	2	2
Mr J Kirkman (Chair of Trustees)	2	2
Mr D Pickering	2	2
Mrs S L Buttress (Resigned 6 February 2017)	2	2
Mrs S Kelby (Resigned 6 February 2017)	0	2
Mrs J Derrick (Resigned 6 February 2017)	2	2
Mrs S J Moore (Accounting Officer)	2	2
Mr N Brompton (Appointed 1 September 2016 and resigned 6 February 2017)	2	2

The Bourne Abbey local governing committee is a sub-committee of the main governing body and became effective during the summer term of 2016-17.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr C Bates	2	2
Mrs S Buttress	1	2
Mr P Gandy	2	2
Mr S Haigh	2	2
Mrs J Hilder	2	2
Mrs L Holbrook	1	1
Mrs S Kelby	1	2
Mr J Kirkman	1	2
Father P Lister	0	1
Mrs S J Moore	2	2

The Bourne Elsea Park local governing committee is a sub-committee of the main governing body and became effective during the summer term of 2016-17.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Father C Atkinson	1	1
Mr N Brompton	2	2
Mrs J Derrick	2	2
Mrs D Keefe	1	1
Mrs K Key	2	2
Mrs S J Moore	2	2
Mr N Page	0	2
Mr D A Pickering	2	2



# **ABBEY ACADEMIES TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Review of value for money**

As accounting officer the Executive Headteacher has responsibility for ensuring that the trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:
  - targeting resources in key subjects such as literacy and numeracy;
  - monitoring the needs of particular pupils including those in receipt of Pupil Premium Grant and Looked After Children PPG, and ensuring that the support they receive is relevant to them;
  - monitoring the performance of particular staff, and ensuring that relevant action is taken to address weaknesses.
- Reviewing controls and managing risks:
  - regular budget reports have been reviewed by the local governing bodies and board of trustees, as well as budget holders, to ensure that spending is within budget, and if not why not.
- Staffing:
  - the academy is proud of operating on a very carefully structured staffing establishment. The staffing structure is considered very closely and any opportunities to minimise excess staffing are explored and frequently implemented. It is acknowledged that staffing is the most costly area of expenditure and savings in this area are the most valuable.
- Better income generation:
  - continuing to generate income from letting out the school premises;
  - transferring any significant cash balances to higher interest savings accounts.
- Better purchasing:
  - exploring alternative purchasing options both on-line and direct through suppliers to find the best value;
  - implementing a tender process for significant purchases and/or contracts;
  - all contracts are reviewed on an annual basis to ensure they are fit for purpose and best value.
- Financial government and oversight:
  - the trust carries out regular monthly financial monitoring and the local governing bodies and board of trustees meet regularly. They receive regular reports, and ask relevant questions as recorded in the minutes;
  - regular financial monitoring is supported further by regular Responsible Officer reports from Rawlinsons Chartered Accountants.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust 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 Abbey Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

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

# ABBEY ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the local governing bodies and board of trustees 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.

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 Rawlinsons, the external auditor, to perform additional checks as Responsible Officer.

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

- testing of purchase systems
- testing of bank reconciliations
- testing of fixed assets
- testing of income

On a regular basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

### Review of effectiveness


As accounting officer the Executive 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 responsible officer;
- the work of the external auditor;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 22/10/17..... and signed on its behalf by:

  
Mr J Kirkman  
Chair of Trustees

  
Mrs S J Moore  
Accounting Officer

# **ABBEY ACADEMIES TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of Abbey Academies Trust I have considered my responsibility to notify the 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 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 trust's board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the 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.



Mrs S J Moore  
**Accounting Officer**

29/11/17.....

# ABBEY ACADEMIES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for Abbey Academies Trust and are also the directors of Abbey Academies Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 29.10.17 and signed on its behalf by:

  
Mr J Kirkman  
Chair of Trustees

# **ABBEY ACADEMIES TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY ACADEMIES TRUST**

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### **Opinion**

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

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the trust'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 accounts are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# ABBEY ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY ACADEMIES TRUST (CONTINUED)

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated 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 the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

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

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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



# ABBEY ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY ACADEMIES TRUST (CONTINUED)

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



**Mr Mark Jackson FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of Rawlinsons Chartered Accountants**

*7.12.2017*

**Chartered Accountants**  
**Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

# ABBEY ACADEMIES TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBEY ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 15 September 2017 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 Abbey Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Abbey Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Abbey Academies Trust and 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 Abbey Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Abbey Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Abbey Academies Trust's funding agreement with the Secretary of State for Education dated 30 November 2010 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.



# ABBEY ACADEMIES TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBEY ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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### Conclusion

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



Mr Mark Jackson FCA DChA  
**Reporting Accountant**  
Rawlinsons Chartered Accountants  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

Dated: ...7.12.2017..

# **ABBAY ACADEMIES TRUST**

## **STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	4,790	2,500	16,740	24,030
Charitable activities:					
- Funding for educational operations	3	336,993	3,181,998	-	3,518,991
- Funding for teaching school		-	17,515	-	17,515
Other trading activities	4	42,924	-	-	42,924
Investments	5	590	-	-	590
<b>Total income and endowments</b>		<b>385,297</b>	<b>3,202,013</b>	<b>16,740</b>	<b>3,604,050</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	333,911	3,756,144	197,725	4,287,780
- Teaching School		-	18,642	-	18,642
<b>Total expenditure</b>	6	<b>333,911</b>	<b>3,774,786</b>	<b>197,725</b>	<b>4,306,422</b>
<b>Net income/(expenditure)</b>		<b>51,386</b>	<b>(572,773)</b>	<b>(180,985)</b>	<b>(702,372)</b>
Transfers between funds		(57,123)	48,882	8,241	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	213,000	-	213,000
<b>Net movement in funds</b>		<b>(5,737)</b>	<b>(310,891)</b>	<b>(172,744)</b>	<b>(489,372)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		503,408	(397,438)	6,610,434	6,716,404
Total funds carried forward		497,671	(708,329)	6,437,690	6,227,032

# **ABBEY ACADEMIES TRUST**

## **STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)** **INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Comparative year information</b>		<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Year ended 31 August 2016</b>		<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and capital grants	<b>2</b>	3,690	8,341	15,902	27,933
Charitable activities:					
- Funding for educational operations	<b>3</b>	339,532	3,139,589	-	3,479,121
Other trading activities	<b>4</b>	59,786	-	-	59,786
Investments	<b>5</b>	1,587	-	-	1,587
<b>Total income and endowments</b>		<b>404,595</b>	<b>3,147,930</b>	<b>15,902</b>	<b>3,568,427</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	<b>7</b>	307,692	3,030,303	199,472	3,537,467
- Teaching School		-	85,914	-	85,914
<b>Total expenditure</b>	<b>6</b>	<b>307,692</b>	<b>3,116,217</b>	<b>199,472</b>	<b>3,623,381</b>
<b>Net income/(expenditure)</b>		<b>96,903</b>	<b>31,713</b>	<b>(183,570)</b>	<b>(54,954)</b>
Transfers between funds		-	(62,107)	62,107	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	<b>20</b>	-	(384,000)	-	(384,000)
<b>Net movement in funds</b>		<b>96,903</b>	<b>(414,394)</b>	<b>(121,463)</b>	<b>(438,954)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		406,505	16,956	6,731,897	7,155,358
Total funds carried forward		503,408	(397,438)	6,610,434	6,716,404

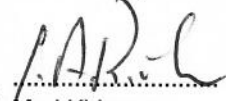
# **ABBAY ACADEMIES TRUST**

## **BALANCE SHEET**

**AS AT 31 AUGUST 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	12	6,437,690	6,610,434
<b>Current assets</b>			
Stocks	14	4,597	6,398
Debtors	15	133,671	129,038
Cash at bank and in hand		723,275	1,166,732
		861,543	1,302,168
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(334,201)	(336,198)
<b>Net current assets</b>		527,342	965,970
<b>Net assets excluding pension liability</b>		6,965,032	7,576,404
Defined benefit pension liability	20	(738,000)	(860,000)
<b>Net assets</b>		6,227,032	6,716,404
<b>Funds of the trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		6,437,690	6,610,434
- Restricted income funds		29,671	462,562
- Pension reserve		(738,000)	(860,000)
<b>Total restricted funds</b>		5,729,361	6,212,996
<b>Unrestricted income funds</b>	18	497,671	503,408
<b>Total funds</b>		6,227,032	6,716,404

The accounts set out on pages 20 to 45 were approved by the board of trustees and authorised for issue on 22/11/17 and are signed on its behalf by:

  
 Mr J Kirkman  
 Chair of Trustees  
 Company Number 07318714

# **ABBEY ACADEMIES TRUST**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	21		(435,806)		264,282
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		590		1,587	
Capital grants from DfE and ESFA		16,740		15,902	
Payments to acquire tangible fixed assets		(24,981)		(89,295)	
			(7,651)		(71,806)
<b>Change in cash and cash equivalents in the reporting period</b>			(443,457)		192,476
Cash and cash equivalents at 1 September 2016			1,166,732		974,256
<b>Cash and cash equivalents at 31 August 2017</b>			<u>723,275</u>		<u>1,166,732</u>

# ABBEY ACADEMIES TRUST

## 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), judgements and key sources of estimation uncertainty, is set out below.

##### 1.1 Basis of preparation

The accounts of the 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.

Abbey Academies Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees have made this assessment in respect of a period of one year from the date of approval of the accounts and consider that the going concern basis is appropriate.

##### 1.3 Income

All income is recognised when the trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

###### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

###### Other income

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

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as income, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's policies. The value of donated time from volunteers has not been included in these accounts.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Governance costs

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

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

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

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

Furniture and equipment transferred into the academy from the previous local authority school has not been valued and introduced into these accounts.

Leasehold property inherited from the Local Authority on conversion to an academy was professionally valued on a depreciated replacement cost basis at 31 August 2012, commissioned by the ESFA.

Leasehold property provided to the trust immediately on completion of the building being constructed is included at a value equivalent to the cost of the building.

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

Leasehold property	2% straight line
Fixtures, fittings & 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.

##### 1.6 Liabilities

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

##### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 1.8 Financial instruments

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

###### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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



# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### 1.10 Taxation

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

#### 1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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 are recognised in the period to which they relate.

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

#### 1.12 Fund accounting

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

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

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received and include grants from the Education & Skills Funding Agency.

#### 1.13 Critical accounting estimates and areas of judgement

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

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	16,740	16,740	15,902
Other donations	4,790	2,500	7,290	12,031
	<u>4,790</u>	<u>19,240</u>	<u>24,030</u>	<u>27,933</u>

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **3 Funding for the trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	2,538,134	2,538,134	2,384,165
Other DfE / ESFA grants	-	281,197	281,197	341,723
	-	2,819,331	2,819,331	2,725,888
<b>Other government grants</b>				
Local authority grants	-	306,438	306,438	319,368
<b>Other funds</b>				
Provision Of Childcare income	227,050	-	227,050	239,049
Other incoming resources	109,943	56,229	166,172	194,816
	336,993	56,229	393,222	433,865
<b>Total funding</b>	336,993	3,181,998	3,518,991	3,479,121

### **4 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	11,398	-	11,398	14,761
Catering income	31,526	-	31,526	45,025
	42,924	-	42,924	59,786

### **5 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	590	-	590	1,587

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2017**

### **6 Expenditure**

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	2,525,501	-	500,573	3,026,074	2,495,315
- Allocated support costs	516,082	560,913	184,711	1,261,706	1,042,152
Teaching School					
- Direct costs	3,449	-	15,193	18,642	85,914
	<u>3,045,032</u>	<u>560,913</u>	<u>700,477</u>	<u>4,306,422</u>	<u>3,623,381</u>

### **Net income/(expenditure) for the year includes:**

	2017 £	2016 £
Fees payable to auditor for audit services	6,700	6,600
Operating lease rentals	6,355	11,428
Depreciation of tangible fixed assets	197,448	199,471
Loss on disposal of fixed assets	277	1
Net interest on defined benefit pension liability	(54,000)	16,000

### **Central services**

No central services were provided by the trust to its academies during the year and no central charges arose.

### **7 Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	302,385	2,723,689	3,026,074	2,495,315
Direct costs - teaching school	-	18,642	18,642	85,914
Support costs - educational operations	31,526	1,230,180	1,261,706	1,042,152
	<u>333,911</u>	<u>3,972,511</u>	<u>4,306,422</u>	<u>3,623,381</u>

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **7 Charitable activities**

**(Continued)**

#### **Analysis of costs**

	Teaching School	Educational operations	Total 2017	Total 2016
	£	£	£	£
<b>Direct costs</b>				
Teaching and educational support staff costs	3,449	2,491,678	2,495,127	2,153,072
Staff development	-	33,823	33,823	24,880
Technology costs	-	167,677	167,677	68,143
Educational supplies and services	-	133,084	133,084	105,767
Educational consultancy	15,193	-	15,193	85,914
Other direct costs	-	199,812	199,812	143,453
	<u>18,642</u>	<u>3,026,074</u>	<u>3,044,716</u>	<u>2,581,229</u>
<b>Support costs</b>				
Support staff costs	-	516,082	516,082	381,059
Depreciation and amortisation	-	197,725	197,725	199,472
Maintenance of premises and equipment	-	191,841	191,841	50,039
Occupancy costs	-	171,347	171,347	156,554
Catering	-	133,398	133,398	142,016
Interest and finance costs	-	(54,000)	(54,000)	16,000
Other support costs	-	90,811	90,811	88,197
Governance costs	-	14,502	14,502	8,815
	<u>-</u>	<u>1,261,706</u>	<u>1,261,706</u>	<u>1,042,152</u>

### **8 Governance costs**

	Total 2017	Total 2016
	£	£
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal and professional fees	7,802	2,215
Auditor's remuneration		
- Audit of financial statements	6,700	6,600
	<u>14,502</u>	<u>8,815</u>

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

	2017 £	2016 £
Wages and salaries	2,312,236	2,026,631
Social security costs	183,441	126,030
Operating costs of defined benefit pension schemes	497,627	350,031
Staff costs	2,993,304	2,502,692
Supply staff costs	17,905	9,839
Staff restructuring costs	-	21,600
Staff development and other staff costs	33,823	24,880
Total staff expenditure	3,045,032	2,559,011

### Staff numbers

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

	2017 Number	2016 Number
Teachers	39	38
Administration and support	112	102
Management	3	3
	154	143

### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	-	1
£90,001 - £100,000	1	-

### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016 - £21,600).

### Key management personnel

The key management personnel of the trust comprise the senior management team as listed on page 1. This year this represents 13 employees (2016 - 8 employees). The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £701,604 (2016 - £408,749).

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the trust. The Executive Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs S J Moore (Executive Head Teacher)

Remuneration £90,000 - £95,000 (for part of year 2016 - £55,000 - £60,000)

Employer's pension contributions £15,000 - £20,000 (for part of year 2016 - £5,000 - £10,000)

Mrs S Buttress (staff governor)

Remuneration £55,000 - £60,000 (2016 - £50,000 - £55,000)

Employer's pension contributions £5,000 - £10,000 (2016 - £5,000 - £10,000)

Mrs S Copsey (staff governor)

Remuneration £nil (2016 - £50,000 - £55,000)

Employer's pension contributions £nil (2016 - £0 - £5,000)

Mr N Brompton (staff governor)

Remuneration £45,000 - £50,000 (2016 - £nil)

Employer's pension contributions £5,000 - £10,000 (2016 - £nil)

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify this element from the overall cost of insurance.

# **ABBAY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **12 Tangible fixed assets**

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 September 2016	6,964,710	423,160	7,387,870
Additions	-	24,981	24,981
Disposals	-	(6,676)	(6,676)
At 31 August 2017	6,964,710	441,465	7,406,175
<b>Depreciation</b>			
At 1 September 2016	481,267	296,169	777,436
On disposals	-	(6,399)	(6,399)
Charge for the year	124,629	72,819	197,448
At 31 August 2017	605,896	362,589	968,485
<b>Net book value</b>			
At 31 August 2017	6,358,814	78,876	6,437,690
At 31 August 2016	6,483,443	126,991	6,610,434

Leasehold property comprises two properties, one of which is held on licence to use and the other on a 125 year lease, both with Lincolnshire County Council.

### **13 Financial instruments**

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Trade debtors	5,783	9,522
Bank and cash	723,275	1,166,732
	729,058	1,176,254
<b>Carrying amount of financial liabilities</b>		
Trade payables	34,515	104,582
Accruals	20,235	19,827
	54,750	124,409

### **14 Stocks**

	2017 £	2016 £
Uniform	4,597	6,398



# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>15 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	5,783	9,522
Other debtors	29,417	23,542
Prepayments and accrued income	98,471	95,974
	<u>133,671</u>	<u>129,038</u>
<b>16 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	34,515	104,582
Other taxation and social security	40,811	40,580
Other creditors	132,269	62,888
Accruals and deferred income	126,606	128,148
	<u>334,201</u>	<u>336,198</u>
<b>17 Deferred income</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>106,371</u>	<u>108,321</u>
Deferred income at 1 September 2016	108,321	61,738
Released from previous years	(108,321)	(61,738)
Amounts deferred in the year	<u>106,371</u>	<u>108,321</u>
<b>Deferred income at 31 August 2017</b>	<u>106,371</u>	<u>108,321</u>

Deferred income relates to amounts paid in advance for the 2016/17 school year for kindergarten places, kids club places, school trip deposits and universal infant free school meals.

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **18 Funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	433,948	2,538,134	(3,020,964)	48,882	-
Other DfE / ESFA grants	27,487	281,197	(279,013)	-	29,671
Other government grants	-	306,438	(306,438)	-	-
Teaching School	1,127	17,515	(18,642)	-	-
Other restricted funds	-	58,729	(58,729)	-	-
	<u>462,562</u>	<u>3,202,013</u>	<u>(3,683,786)</u>	<u>48,882</u>	<u>29,671</u>
Funds excluding pensions					
Pension reserve	(860,000)	-	(91,000)	213,000	(738,000)
	<u>(397,438)</u>	<u>3,202,013</u>	<u>(3,774,786)</u>	<u>261,882</u>	<u>(708,329)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	3,470,963	-	(61,869)	-	3,409,094
DfE / ESFA capital grants	-	16,740	(277)	(16,463)	-
Capital expenditure from GAG	126,991	-	(72,819)	24,704	78,876
Private sector capital sponsorship	3,012,480	-	(62,760)	-	2,949,720
	<u>6,610,434</u>	<u>16,740</u>	<u>(197,725)</u>	<u>8,241</u>	<u>6,437,690</u>
<b>Total restricted funds</b>	<u>6,212,996</u>	<u>3,218,753</u>	<u>(3,972,511)</u>	<u>270,123</u>	<u>5,729,361</u>
<b>Unrestricted funds</b>					
General funds	221,597	158,247	(148,254)	266,081	497,671
Other funds	281,811	227,050	(185,657)	(323,204)	-
	<u>503,408</u>	<u>385,297</u>	<u>(333,911)</u>	<u>(57,123)</u>	<u>497,671</u>
<b>Total funds</b>	<u>6,716,404</u>	<u>3,604,050</u>	<u>(4,306,422)</u>	<u>213,000</u>	<u>6,227,032</u>
<b>General unrestricted funds include the following designated funds:</b>					
Manning Road development funding	15,200	-	-	(15,200)	-
School fund	39,881	114,733	(116,728)	-	37,886
Extension	-	-	-	450,000	450,000
Balance of general funds	166,516	43,514	(31,526)	(168,719)	9,785
	<u>221,597</u>	<u>158,247</u>	<u>(148,254)</u>	<u>266,081</u>	<u>497,671</u>

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 18 Funds

(Continued)

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

##### Restricted fixed asset funds

The devolved capital formula grant has to be spent on capital expenditure within 3 years of allocation.

The capital expenditure fund represents the net book value of fixed assets purchased.

During the year, £16,740 devolved capital funding has been utilised on fixed assets and a transfer has been made from the devolved capital fund to the capital expenditure fund for this amount. Further additions of £8,241 have been purchased in the year and have been funded out of GAG. Transfers from the relevant funds to the capital expenditure fund have been made to represent these additions.

The leasehold property represents the net book value of the leasehold property.

##### Restricted general funds

The restricted grant income in the year all relates to the provision of education for the children of the academy.

£8,241 of GAG funding has been utilised on the purchase of fixed assets, and a transfer for this amount has been made to the capital expenditure restricted fixed asset fund.

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

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.

##### Designated funds

The trustees have designated £450,000 of funds donated to be spent on the development of the Kindergarten and nursery offering.

The school fund balances are designated by the trustees for use in a variety of different areas.

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2017**

### **18 Funds**

**(Continued)**

#### **Movements in funds - previous year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	407,652	2,384,165	(2,295,762)	(62,107)	433,948
Other DfE / ESFA grants	25,304	341,723	(338,413)	-	28,614
Other government grants	-	319,368	(319,368)	-	-
Other restricted funds	-	102,674	(102,674)	-	-
	<u>432,956</u>	<u>3,147,930</u>	<u>(3,056,217)</u>	<u>(62,107)</u>	<u>462,562</u>
Funds excluding pensions	432,956	3,147,930	(3,056,217)	(62,107)	462,562
Pension reserve	(416,000)	-	(60,000)	(384,000)	(860,000)
	<u>16,956</u>	<u>3,147,930</u>	<u>(3,116,217)</u>	<u>(446,107)</u>	<u>(397,438)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	3,532,832	-	(61,869)	-	3,470,963
DfE / ESFA capital grants	11,287	15,902	-	(27,189)	-
Capital expenditure from GAG	112,538	-	(74,843)	89,296	126,991
Private sector capital sponsorship	3,075,240	-	(62,760)	-	3,012,480
	<u>6,731,897</u>	<u>15,902</u>	<u>(199,472)</u>	<u>62,107</u>	<u>6,610,434</u>
<b>Total restricted funds</b>	<u>6,748,853</u>	<u>3,163,832</u>	<u>(3,315,689)</u>	<u>(384,000)</u>	<u>6,212,996</u>
<b>Unrestricted funds</b>					
General funds	185,014	165,546	(128,963)	-	221,597
Other funds	221,491	239,049	(178,729)	-	281,811
	<u>406,505</u>	<u>404,595</u>	<u>(307,692)</u>	<u>-</u>	<u>503,408</u>
<b>Total funds</b>	<u>7,155,358</u>	<u>3,568,427</u>	<u>(3,623,381)</u>	<u>(384,000)</u>	<u>6,716,404</u>

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2017**

### **18 Funds**

**(Continued)**

#### **Total funds analysis by academy**

	<b>Total £</b>
Fund balances at 31 August 2017 were allocated as follows:	
Bourne Abbey Church of England Primary Academy (BAPA)	516,641
Bourne Elsea Park Church of England Primary Academy (BEPPA)	10,701
	<hr/>
Total before fixed assets fund and pension reserve	527,342
Restricted fixed asset fund	6,437,690
Pension reserve	(738,000)
	<hr/>
Total funds	<u><u>6,227,032</u></u>

#### **Total cost analysis by academy**

Expenditure incurred by each academy during the year was as follows:

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total £</b>
Bourne Abbey Church of England Primary Academy (BAPA)	1,785,309	428,941	75,314	1,072,082	3,361,646
Bourne Elsea Park Church of England Primary Academy (BEPPA)	549,405	81,477	20,789	293,105	944,776
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u><u>2,334,714</u></u>	<u><u>510,418</u></u>	<u><u>96,103</u></u>	<u><u>1,365,187</u></u>	<u><u>4,306,422</u></u>

# **ABBEY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **18 Funds**

**(Continued)**

#### **Funds analysis by academy - previous year**

	<b>Total 2016 £</b>
Fund balances at 31 August 2016 were allocated as follows:	
Bourne Abbey Church of England Primary Academy	896,094
Bourne Elsea Park Church of England Primary Academy	69,876
Total before fixed assets fund and pension reserve	965,970
Restricted fixed asset fund	6,610,434
Pension reserve	(860,000)
Total funds	<u>6,716,404</u>

#### **Total cost analysis by academy - previous year**

Expenditure incurred by each academy during the previous year was as follows:

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2016 £</b>
Bourne Abbey Church of England Primary Academy	1,729,331	333,870	72,730	783,982	2,919,913
Bourne Elsea Park Church of England Primary Academy	269,563	40,193	15,483	221,868	547,107
	<u>1,998,894</u>	<u>374,063</u>	<u>88,213</u>	<u>1,005,850</u>	<u>3,467,020</u>

### **19 Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General £</b>	<b>Fixed asset £</b>	<b>Total 2017 £</b>
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	6,437,690	6,437,690
Current assets	536,089	325,454	-	861,543
Creditors falling due within one year	(127,666)	(206,535)	-	(334,201)
Accruals and deferred income	89,248	(89,248)	-	-
Defined benefit pension liability	-	(738,000)	-	(738,000)
	<u>497,671</u>	<u>(708,329)</u>	<u>6,437,690</u>	<u>6,227,032</u>

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	6,610,434	6,610,434
Current assets	549,238	703,760	49,170	1,302,168
Creditors falling due within one year	(45,830)	(241,198)	(49,170)	(336,198)
Defined benefit pension liability	-	(860,000)	-	(860,000)
	<u>503,408</u>	<u>(397,438)</u>	<u>6,610,434</u>	<u>6,716,404</u>

### 20 Pensions and similar obligations

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

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

Contributions amounting to £42,475 (2016 - £39,963) were payable to the schemes at 31 August 2017 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.



# ABBNEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

The key elements of the 2014 valuation and subsequent consultation were:

- 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 pension costs paid to the TPS in the period amounted to £221,453 (2016 - £195,431).

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

Under the definitions set out in FRS 102, the TPS is 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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.3% for employers and 5.5 to 6.8% for employees. The estimated value of employer contributions for the forthcoming year is £141,000.

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.

Total contributions made	2017 £	2016 £
Employer's contributions	148,000	134,000
Employees' contributions	42,000	36,000
Total contributions	190,000	170,000
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.8	3.6
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

# **ABBAY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

#### **20 Pensions and similar obligations**

**(Continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.1	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.5
- Females	26.6	26.8

#### **Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	<b>2017</b>	<b>2016</b>
0.5% decrease in Real Discount Rate	306,000	299,000
0.5% increase in the Salary Increase Rate	56,000	103,000
0.5% increase in the Pension Increase Rate	245,000	187,000

#### **The trust's share of the assets in the scheme**

	<b>2017</b>	<b>2016</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	1,190,280	957,110
Bonds	183,120	161,590
Property	137,340	124,300
Other assets	15,260	-
Total market value of assets	1,526,000	1,243,000
Actual return on scheme assets - gain/(loss)	102,000	193,000

#### **Amounts recognised in the statement of financial activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	293,000	178,000
Interest income	(102,000)	(37,000)
Interest cost	48,000	53,000
Total operating charge	239,000	194,000

# **ABBAY ACADEMIES TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **20 Pensions and similar obligations**

**(Continued)**

#### **Changes in the present value of defined benefit obligations**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Obligations at 1 September 2016	2,103,000	1,304,000
Current service cost	293,000	178,000
Interest cost	48,000	53,000
Employee contributions	42,000	36,000
Actuarial (gain)/loss	(213,000)	540,000
Benefits paid	(9,000)	(8,000)
At 31 August 2017	<u>2,264,000</u>	<u>2,103,000</u>

#### **Changes in the fair value of the trust's share of scheme assets**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Assets at 1 September 2016	1,243,000	888,000
Interest income	102,000	37,000
Actuarial gain	-	156,000
Employer contributions	148,000	134,000
Employee contributions	42,000	36,000
Benefits paid	(9,000)	(8,000)
At 31 August 2017	<u>1,526,000</u>	<u>1,243,000</u>

### **21 Reconciliation of net expenditure to net cash flows from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period	(702,372)	(54,954)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(16,740)	(15,902)
Investment income receivable	(590)	(1,587)
Defined benefit pension costs less contributions payable	145,000	44,000
Defined benefit pension net finance (income)/cost	(54,000)	16,000
Depreciation of tangible fixed assets	197,448	199,471
Loss on disposal of fixed assets	277	1
Decrease/(increase) in stocks	1,801	(1,299)
(Increase) in debtors	(4,633)	(65,344)
(Decrease)/increase in creditors	(1,997)	143,896
<b>Net cash used in operating activities</b>	<u>(435,806)</u>	<u>264,282</u>

# ABBEY ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	5,825	6,355
Amounts due in two and five years	-	5,825
	<u>5,825</u>	<u>12,180</u>

### 23 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the accounts	<u>28,246</u>	<u>-</u>

### 24 Related party transactions

Owing to the nature of the trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

During the year £3,609 (2016 - £2,919) was paid to Fluid Signs Limited in relation to repairs & maintenance. S L Buttress, a governor has an interest in this business.

The following governors have family members who are employees of the academy:

<u>Governor</u>	<u>Relationship</u>	<u>Name</u>	<u>Job title</u>
Mr C R Bates	Wife	Mrs S J Bates	Business Manager
Mrs S Kelby	Husband	Mr S Kelby	Teaching Assistant

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

### 25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.