

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2017

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

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Reference and administrative details
for the year ended 31 August 2017

Members	Mrs D Foreman Mrs C Carey Mrs A Nunns Mrs J Richardson Mrs L Cranston
Trustees	Mrs N Couchman, Chair of Trustees ¹ Mr T Muggridge ¹ Mrs D Foreman ¹ Mrs A Nunns ¹ Mrs K Williams (resigned 13 October 2017) Mrs A Trill (resigned 13 October 2017) ¹ Mrs A Trill (reappointed 6 December 2017) ¹ Mrs N Cox (resigned 17 June 2017) Mrs A Antoncini (resigned 13 October 2017) Mr R Tomlin (resigned 30 September 2017) ¹ Mrs C Carey (resigned 17 November 2016) Mrs J Hurren (appointed 20 June 2017, resigned 13 October 2017) Mr C McKenzie (appointed 20 June 2017, resigned 13 October 2017) Mrs E Colmer (resigned 13 October 2017)

¹ member of the Finance and Buildings Committee

Company registered number

07659069

Company name

Cliffe Woods Primary School

Principal and registered office

View Road
Cliffe Woods
Rochester
Kent
ME3 8UJ

Company secretary

Mrs L Colbert

Senior leadership team

Mr T Muggridge, Headteacher
Mrs K Connolly, Assistant Headteacher
Mrs S Robins, Assistant Headteacher
Mrs L Colbert, Business Manager

Independent auditors

Williams Giles Limited
Chartered Accountants
Statutory Auditor
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Bankers

Lloyds Bank
142-146 High Street
Chatham
ME4 4DQ

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**Reference and administrative details of the academy, its trustees and advisers
for the year ended 31 August 2017**

Advisers (continued)

Solicitors

Brachers LLP
Sommerfield House
59 London Road
Maidstone
Kent
ME16 8JH

Surveyors

Sitech Surveying Services Limited
Second Floor
17 Brewer Street
Maidstone
Kent
ME14 1RM

CLIFFE WOODS PRIMARY SCHOOL
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Trustees' report
for the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of the Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Cliffe Woods. It has a pupil capacity of 315 and had a roll of 347 in the school census January 2017.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Cliffe Woods Primary School are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Cliffe Woods Primary School.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The processes for appointing or electing the various types of Trustee at Cliffe Woods Primary School are as follows:

Appointed Trustees – The Members of Cliffe Woods Primary School have the right to appoint up to eleven Trustees. Such appointments are usually made following consultation by the Members with the Trustees of the School.

The Headteacher shall be treated for all purposes as being an ex officio Trustee.

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

Following their appointment/election, all new Trustees receive an introduction to their role from the Chairman and Headteacher, this introduction includes a tour of the School's site and the opportunity to meet other members of the Senior Leadership Team.

The Board of Trustees at Cliffe Woods Primary School is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Board of Trustees maintain a Service Level Agreement with the Medway Council's Governor Services Department. This Agreement allows for any or all of the Members of the Board of Trustees to attend any of the training courses provide by Medway Council.

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Trustees' report (continued)
for the year ended 31 August 2017

All new Trustees are actively encouraged to take advantage of this Agreement so as to gain a better understanding of the role and responsibilities of being a School Trustee. Additionally Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake specific training.

All Trustees are actively encouraged to support a specific area of teaching within the school and liaise with the relevant member of staff to ensure the subjects are being taught in line with national curriculum requirements.

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

Pay and remuneration of all staff is set by the Pay Review Committee, following performance management meetings and reviewed each October. The Headteachers' pay review is undertaken by a performance management committee with an external advisor and reviewed every 6 months.

f. Organisational structure

Within the past year the Academy has converted to a Multi-Academy Trust (MAT) which currently consists of one school. The MAT has the authority to take on one converter academy and one sponsored academy, which is being explored and talks are in place. The conversion is evidenced in the list of Trustees as those who were previously Trustees become members of the Local Governing Body by default, which means they have to be removed from Companies House.

At Cliffe Woods Primary School the majority of the roles and responsibilities of the Board of Trustees have been delegated to the Local Governing Body and 3 committees. The full Board of Trustees has retained responsibility for certain aspects. The Headteacher (Accounting Officer) and Business Manager, attend Trustee meetings as appropriate.

The Trustees are responsible for the strategic management of the Trust; including strategic direction, annual budgets and appointment of the Head Teachers. Operational management is the responsibility of the Headteacher and staff.

School policies are developed by senior members of the school's staff, to reflect both the strategic direction agreed by the Local Governing Body and also statutory requirements. These policies are approved and adopted by the Local Governing Body, and implemented as procedures and systems by the Management Team and other designated members of staff.

We engage our auditors to address the board of Trustees annually.

g. Related Parties and other Connected Charities and Organisations

The Board of Trustees has now completed the change of the Articles and funding agreement to become a MAT with the vision of a local Primary School joining the Trust. Further discussions will carry on through into the next academic/financial year as to further expansion with the vision of taking a third Primary School into the Trust.

The PTA have Charitable status in their own right and all donations received from the PTA are declared through the statutory accounts.

h. Trustees' indemnities

Directors and Officers Liability cover is provided through the DFE's Risk Protection arrangement, policy number 136859, policy period 01 September 2016 to 31 August 2017 to the level of Unlimited other than libel and slander where limit is £500,000 for each and every loss and in the annual aggregate per academy whose Academy Trust is a Member with an excess of £1000 for each and every loss. Cover is provided for both the School and individuals

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Trustees' report (continued)
for the year ended 31 August 2017

Strategic report

Objectives and Activities

a. Objects and aims

The principle object and activity of the charitable company is the operation of Cliffe Woods Primary School to provide education for pupils between the ages of 4 and 11.

b. Objectives, strategies and activities

The Academy Trust was set up on 1 July 2011 to advance, for the public benefit, education in the Cliffe Woods area.

The Trustees continue to be committed to maintain the traditional ethos, values, standards and achievements of the school that it has done since its conversion to an Academy, whilst continuing to work to fulfil the School's medium and longer term development plans.

c. Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Cliffe Woods Primary School is the maintenance and development of the high quality education provided by the School, to the young people of Cliffe Woods and the surrounding areas. This has been proved by the Ofsted Outstanding Rating achieved in March 2015 which was re-confirmed in September 2016.

In doing this Cliffe Woods Primary School not only offers a broadly based academic education but aims to educate the whole individual. A very wide range of extra-curricular activities, educational trips and visits are offered and undertaken.

Achievements and performance

Cliffe Woods Primary School has high aspirations and has consistently been one of the top performing primary schools in the Local Authority. Most results exceed local and national averages. Key Stage Two Results for 2016/17

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Trustees' report (continued)
for the year ended 31 August 2017

	2017 School/Academy	2017 Medway	2017 National
EYFS GLD	85.00%	70%	69%
Phonics	84.00%	82%	81%
KS1 Reading	98.00%	79%	76%
KS1 Writing	90.00%	74%	68%
KS1 Maths	100.00%	79%	75%
KS1 RWM Comb.	90.00%	-	60%
KS2 Combined	77%	58%	61%
KS2 Reading	81%	101 - 68%	103 - 71%
KS2 Writing	94%	76%	76%
KS2 Maths	85%	102 - 71%	103 - 75%
KS2 Combined RW	77%	58%	61%
KS2 Reading GD	34%	110+ 15%	110+ 19%
KS2 Writing GD	40%	110+ 16%	110+ 15%
KS2 Maths GD	28%	110+ 14%	110+ 17%

a. Key performance indicators

Cliffe Woods Primary School recognises the responsibility that it has under the Companies Act 2006 s417 to disclose the principle risks and uncertainties it faces. The school acknowledges that its ability to continue to provide for pupils the continuing advancement of education it is reliant upon the agreed public funding levels, distributed to the school in the form of a General Aggregate Grant. The school acknowledges that its planned level of expenditure must not exceed the school's known income now and the future forecast income. In doing so it pays due regard to the high proportion of costs based on wages and any forces influencing rising wage costs. Cliffe Woods Primary School does have a defined pension deficit of £418,000.

b. Going Concern

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

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Trustees' report (continued)
for the year ended 31 August 2017

Financial review

a. Financial risk management objectives and policies

Most of the School's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Capital Grants (CG) were awarded to the School by the DfE to provide fixed assets, plus the Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2005, the CG and DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 1 July 2011, all of the fixed assets of the former school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes. This operating surplus is the result of detailed and tight budgeting and budget control procedures which were inherited from the former school, and which have been firmly embedded in the Academy Trust's daily financial management.

The Trustees are concerned with the large deficit that the Local Government Pension Fund is reporting.

The Finance Committee review expenditure at every meeting and regularly analyse the three year budget plan with the School Business Manager.

b. Principal risks and uncertainties

The principle risks or uncertainties faced by Cliffe Woods Primary School are Financial, Health and Safety, Unexpected Loss or Damage and Safeguarding.

- a. The financial risk of the misappropriation of funds (fraud) is managed through meeting accepted financial standards that include the work of an internal auditor within school and the external audit.
- b. The financial risk of failing to be a going concern is met through due diligence of the Accounting Officer (Headteacher) and the Business Manager, together with the scrutiny of the Trustees Finance Committee
- c. The school follows all known health and safety laws, appointing a specialised company to ensure full compliance with the law
- d. The school has comprehensive and extensive insurance cover
- e. The school follows all statutory guidance for the protection of children

c. Reserves policy

The Trustees review the Academy's reserves levels when budgeting and agreeing any expenditure in line with its Terms of Reference and are conscious that funding received for the financial year is spent for the benefit of the pupils currently on role.

d. Investments policy

Apart from the cash held for the operation of the School, Cliffe Woods Primary School has no realisable investments. With respect to its cash holdings the Board of Trustees have adopted a low risk strategy. In addition to the main current account the School maintains fixed term deposit accounts with variable interest rates depending on the length of deposit.

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Trustees' report (continued)
for the year ended 31 August 2017

Plans for future periods

a. Future developments

Cliffe Woods Primary School will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extracurricular activities and in essential life skills so as to increase the number of opportunities open to its students when they move on to secondary education.

The Trustees recognise that through good financial management, they have been able to improve significantly the quality of the school building; in previous years we were able to secure funding through a Salix grant to replace our boilers and heating system. To enhance the teaching environment story boards, new laptops and a camcorder were purchased. iPads have been purchased for use within the classrooms to further enrich the curriculum. The current kitchen has now been enlarged to accommodate the increase in pupil numbers. We are in the process of building two classrooms and an extra activity area on to the current building. The internal works for two classrooms to become larger has been completed, enabling them to accommodate a full class of 30.

We will be continuing to focus on the importance of reading, to raise our standards and to encourage children to enjoy reading outside school as well as within. This will be achieved through activities such as, a focus on specific authors, encouraging parents to participate with reading inside school and to enthuse the children.

We will also be focusing on improving attainment in SPAG, writing and maths, by staff receiving training on outstanding lessons and observing outstanding practice.

To develop the profile of the school council to enhance curriculum initiatives, this will also involve the gifted and talented children.

Funds held as Custodian Trustee on behalf of others

During the period from 1 September 2016 to 31 August 2017 Cliffe Woods Primary School did not hold any funds as a Custodian Trustee on behalf of any other charitable organisation.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

Auditor

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

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

Mr T Muggridge
Accounting Officer

Mrs N Couchman
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cliffe Woods Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 2 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs N Couchman, Chair of Trustees	2	2
Mr T Muggridge	2	2
Mrs D Foreman	2	2
Mrs A Nunns	2	2
Mrs K Williams	2	2

Governance reviews:

The Local Governing Body are committed to a training program and an annual skills audit. Following this each Governor is issued with a personalised training and development plan.

The Local Governing Body are presented with pupil assessment data three times a year for detailed analysis of pupil progress and attainment. The data is presented by gender, EAL, SEND and pupil premium, alongside comparative data from local and national data. This is used to inform the School Development plan. The Governors attended a RAISE presentation on data, so they have a full understanding of the current performance.

The Local Governing Body has formally met 4 times during the year.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mrs N Couchman, Chair of Trustees	4	4
Mrs D Foreman, Chair of Local Governing Body	4	4
Mr T Muggridge	4	4
Mrs A Nunns	3	4
Mrs K Williams	4	4
Mrs A Trill	4	4
Mrs N Cox	0	3
Mrs E Colmer	4	4
Mrs A Antoncini	3	4
Mr R Tomlin	4	4
Mrs J Hurren	1	1
Mr C McKenzie	1	1

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Governance Statement (continued)

The Finance and Buildings Committee is a sub-committee of the Local Governing Body.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mrs N Couchman, Chair of Trustees	4	4
Mr T Muggridge	4	4
Mrs D Foreman	4	4
Mrs A Trill	4	4
Mr R Tomlin	3	4
Mrs A Nunns	4	4

Review of Value for Money

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

The Accounting Officer considers how the Academy 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Cliffe Woods Primary School constantly reviews its quality of teaching and curriculum provision to ensure that teaching and learning is based around the needs of the school community and builds on previous learning.

The Academy employs External Auditors who act as the school's Internal Auditors (IA). The IA reviews key financial policies, systems and procedures, including the use of tenders, and presents reports on compliance to the Academy's Finance Manager, Headteacher and Governing Body.

Cliffe Woods Primary School requires all suppliers to compete on grounds of cost and quality of products. The Academy actively seeks out the best products at the best possible value.

For any order over £5,000 two quotes are obtained and anything over £10,000 the Academy will obtain three quotes. Successful companies will be chosen on grounds of price, quality and previous track record.

All orders are authorised by the budget holder and The Headteacher to ensure that money is being utilised and allocated wisely.

Cliffe Woods Primary School benchmarks financial performance against other academy trusts to demonstrate that the Academy provides good value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust 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 Cliffe Woods Primary School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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Governance Statement (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles Limited, the external auditors, to perform additional checks.

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

- testing of payroll and recruitments systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of Income/Sales Invoices
- testing of Governance and Procedures
- testing of Fixed Assets/Inventory/Disposals & Write-offs
- testing of VAT
- testing of Budget Monitoring/Management Accounts
- testing of Contracts and Procurement
- testing of Pensions
- testing of Lettings and Lettings Policy

On a termly basis, the auditors report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Three reviews were carried out during the year as per their schedule of work, the findings were reviewed by the finance committee and any recommendations were implemented with immediate effect and subsequently confirmed by the reviewer as being completed.

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Governance Statement (continued)

Review of Effectiveness

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

- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on

and signed on their behalf, by:

Mrs N Couchman
Chair of Trustees

Mr T Muggridge
Accounting Officer

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Statement on Regularity, Propriety and Compliance

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

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

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

Mr T Muggridge
Accounting Officer

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Statement of Trustees' responsibilities
for the year ended 31 August 2017

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

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

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

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

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

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

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

Mrs N Couchman
Chair of Trustees

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Independent auditors' report on the financial statements to the members of Cliffe Woods Primary School

Opinion

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

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

In our opinion the financial statements:

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

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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Independent auditors' report on the financial statements to the members of Cliffe Woods Primary School

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Cliffe Woods Primary School

Auditor's responsibilities for the audit of the financial statements

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

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

Alyson Howard FCCA DChA CF (Senior statutory auditor)
for and on behalf of
Williams Giles Limited
Chartered Accountants
Statutory Auditor
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH
Date:

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Cliffe Woods Primary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 March 2016 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 Cliffe Woods Primary School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cliffe Woods Primary School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Cliffe Woods Primary School's funding agreement with the Secretary of State for Education dated 29 June 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

CLIFFE WOODS PRIMARY SCHOOL

(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Cliffe Woods Primary School and the Education and Skills Funding Agency (continued)

Conclusion

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

Reporting Accountant

Williams Giles Limited

Chartered Accountants

Statutory Auditor

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

Date:

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

**Statement of financial activities incorporating income and expenditure account
for the year ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	3	18,352	-	118,003	136,355	16,600
Charitable activities	4	-	1,260,124	-	1,260,124	1,232,605
Other trading activities	5	64,063	17,329	-	81,392	64,095
Investments	6	4,346	-	-	4,346	2,276
Total income		<u>86,761</u>	<u>1,277,453</u>	<u>118,003</u>	<u>1,482,217</u>	<u>1,315,576</u>
Expenditure on:						
Raising funds	7	22,836	-	-	22,836	17,213
Charitable activities		-	1,431,503	93,626	1,525,129	1,352,479
Total expenditure	10	<u>22,836</u>	<u>1,431,503</u>	<u>93,626</u>	<u>1,547,965</u>	<u>1,369,692</u>
Net income / (expenditure) before transfers		<u>63,925</u>	<u>(154,050)</u>	<u>24,377</u>	<u>(65,748)</u>	<u>(54,116)</u>
Transfers between Funds	20	(45,210)	35,373	9,837	-	-
Net income / (expenditure) before other recognised gains and losses		<u>18,715</u>	<u>(118,677)</u>	<u>34,214</u>	<u>(65,748)</u>	<u>(54,116)</u>
Actuarial gains/(losses) on defined benefit pension schemes	25	-	199,000	-	199,000	(205,000)
Net movement in funds		<u>18,715</u>	<u>80,323</u>	<u>34,214</u>	<u>133,252</u>	<u>(259,116)</u>
Reconciliation of funds:						
Total funds brought forward		<u>240,493</u>	<u>(498,323)</u>	<u>2,550,214</u>	<u>2,292,384</u>	<u>2,551,500</u>
Total funds carried forward		<u><u>259,208</u></u>	<u><u>(418,000)</u></u>	<u><u>2,584,428</u></u>	<u><u>2,425,636</u></u>	<u><u>2,292,384</u></u>

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)
Registered number: 07659069

Balance sheet
as at 31 August 2017

		2017		2016	
	Note	£	£	£	£
Fixed assets					
Tangible assets	17		2,517,193		2,550,214
Current assets					
Debtors	18	32,696		36,184	
Cash at bank and in hand		383,351		340,607	
		416,047		376,791	
Creditors: amounts falling due within one year	19	(89,604)		(86,621)	
			326,443		290,170
Net current assets					
Total assets less current liabilities			2,843,636	2,840,384	
Defined benefit pension scheme liability	25		(418,000)		(548,000)
Net assets including pension scheme liabilities			2,425,636	2,292,384	
Funds of the academy					
Restricted income funds:					
Restricted income funds	20	-		49,677	
Restricted fixed asset funds	20	2,584,428		2,550,214	
Restricted income funds excluding pension liability		2,584,428		2,599,891	
Pension reserve		(418,000)		(548,000)	
Total restricted income funds			2,166,428		2,051,891
Unrestricted income funds	20		259,208		240,493
Total funds			2,425,636	2,292,384	

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

Mr T Muggridge
Accounting Officer

Mrs N Couchman
Chair of Trustees

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(19,002)	49,783
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,346	2,276
Purchase of tangible fixed assets		(60,605)	(35,080)
Capital grants from DfE/ESFA		118,005	7,758
Net cash provided by/(used in) investing activities		61,746	(25,046)
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		340,607	315,870
Cash and cash equivalents carried forward	23	383,351	340,607

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies

Cliffe Woods Primary School is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Cliffe Woods Primary School, View Road, Cliffe Woods, Rochester, Kent, ME3 8UJ. The principal activity of the academy trust is to provide education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

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

Cliffe Woods Primary School constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

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

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

The valuation for leasehold property is taken from the Drivers Jonas Deloitte desktop valuation completed for the EFA as at 31 August 2013. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

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

Long-term leasehold property	-	2% SL
Fixtures and fittings	-	10% SL
Computer equipment	-	20% SL

1.7 Interest receivable

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Taxation

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

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

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

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

1.15 Fund accounting

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

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

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

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

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.17 Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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 academy trust's policies.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2017.

3. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	18,352	-	-	18,352	8,842
Capital Grants	-	-	118,003	118,003	7,758
	18,352	-	118,003	136,355	16,600
<i>Total 2016</i>	8,842	-	7,758	16,600	

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

4. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,156,287	1,156,287	1,134,579
Pupil premium	-	35,380	35,380	36,142
Other DfE/ESFA grants	-	17,291	17,291	9,430
Universal Infant Free School Meals	-	44,793	44,793	50,037
	-	1,253,751	1,253,751	1,230,188
Other government grants				
Other government grants	-	6,373	6,373	2,417
	-	6,373	6,373	2,417
	-	1,260,124	1,260,124	1,232,605
<i>Total 2016</i>	-	1,232,605	1,232,605	

5. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	22,218	-	22,218	20,689
School trips	37,127	-	37,127	19,185
GTP Income	-	3,495	3,495	8,060
Supply Insurance Claims	-	9,113	9,113	675
Fees	4,718	-	4,718	15,486
Other income	-	4,721	4,721	-
	64,063	17,329	81,392	64,095
<i>Total 2016</i>	55,360	8,735	64,095	

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

6. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	4,346	-	4,346	2,276
<i>Total 2016</i>	2,276	-	2,276	

7. Costs of raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
School trip expenses	22,836	-	22,836	17,213
<i>Total 2016</i>	17,213	-	17,213	

8. Direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	41,256	41,256	23,397
Staff development	5,312	5,312	5,313
Educational consultancy	8,791	8,791	5,832
Agency supply	17,415	17,415	18,248
Wages and salaries	608,130	608,130	541,644
National insurance	58,985	58,985	43,908
Pension cost	94,869	94,869	85,713
	834,758	834,758	724,055
<i>At 31 August 2016</i>	724,055	724,055	

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

9. Support costs

	Educational operations £	Total 2017 £	Total 2016 £
LGPS costs	11,000	11,000	11,000
Recruitment and support	-	-	7,235
Maintenance of premises and equipment	20,028	20,028	17,504
Cleaning	24,104	24,104	23,438
Rent & rates	7,721	7,721	6,523
Light & heat	14,470	14,470	18,093
Insurance	16,673	16,673	17,287
Security & transport	225	225	337
Catering	39,743	39,743	46,100
Bank charges	64	64	119
Computer costs	25,793	25,793	35,094
Printing, postage and stationery	3,440	3,440	4,183
Other support costs	9,415	9,415	7,971
Loss on disposal of assets	-	-	1,769
Professional fees	30,046	30,046	31,621
Governance	9,194	9,194	8,871
Wages and salaries	263,781	263,781	229,314
National insurance	14,428	14,428	9,279
Pension cost	106,620	106,620	67,744
Depreciation	93,626	93,626	84,942
	<u>690,371</u>	<u>690,371</u>	<u>628,424</u>
<i>At 31 August 2016</i>	<u>628,424</u>	<u>628,424</u>	

10. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	22,836	22,836	17,213
Activities:					
Direct costs	779,399	-	55,359	834,758	724,055
Support costs	384,829	76,132	229,410	690,371	628,424
	<u>1,164,228</u>	<u>76,132</u>	<u>307,605</u>	<u>1,547,965</u>	<u>1,369,692</u>
<i>Total 2016</i>	<u>995,850</u>	<u>61,885</u>	<u>311,957</u>	<u>1,369,692</u>	

CLIFFE WOODS PRIMARY SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

11. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	93,626	84,942
Auditors' Remuneration	9,665	9,665
	<u><u> </u></u>	<u><u> </u></u>

12. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	5,750	5,750
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	1,500	1,500
All other services	2,415	2,415
	<u><u> </u></u>	<u><u> </u></u>

CLIFFE WOODS PRIMARY SCHOOL
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Notes to the financial statements
for the year ended 31 August 2017

13. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	871,911	770,958
Social security costs	73,413	53,187
Operating costs of defined benefit pension schemes	201,489	153,457
	<hr/>	<hr/>
	1,146,813	977,602
Supply teacher costs	17,415	18,248
	<hr/>	<hr/>
	1,164,228	995,850
	<hr/> <hr/>	<hr/> <hr/>

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

	2017	2016
	No.	No.
Teachers	17	14
Support	31	29
Management	4	2
	<hr/>	<hr/>
	52	45
	<hr/> <hr/>	<hr/> <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £308,434 (2016: £205,120).

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for the year ended 31 August 2017

14. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
Mr T Muggridge	Remuneration	55,000-60,000	20,000-25,000
	Pension contributions paid	5,000-10,000	0-5,000
Mrs L Cranston	Remuneration	-	0-5,000
	Pension contributions paid	-	0-5,000
Mrs A Antoncini	Remuneration	35,000-40,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
Mrs A Weallans	Remuneration	-	25,000-30,000
	Pension contributions paid	-	0-5,000
Ms E Colmer	Remuneration	-	5,000-10,000
	Pension contributions paid	-	0-5,000

During the year ended 31 August 2017, expenses totalling £99 (2016 - £84) were reimbursed to 2 Trustees (2016 - 2).

15. Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

16. Other finance income

	2017	2016
	£	£
Interest income on pension scheme assets	9,000	14,000
Interest on pension scheme liabilities	(20,000)	(25,000)
	<hr/> (11,000) <hr/>	<hr/> (11,000) <hr/>

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Notes to the financial statements
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17. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	2,676,730	127,329	106,489	2,910,548
Additions	-	60,605	-	60,605
At 31 August 2017	<u>2,676,730</u>	<u>187,934</u>	<u>106,489</u>	<u>2,971,153</u>
Depreciation				
At 1 September 2016	232,581	50,196	77,557	360,334
Charge for the year	53,535	18,793	21,298	93,626
At 31 August 2017	<u>286,116</u>	<u>68,989</u>	<u>98,855</u>	<u>453,960</u>
Net book value				
At 31 August 2017	<u>2,390,614</u>	<u>118,945</u>	<u>7,634</u>	<u>2,517,193</u>
At 31 August 2016	<u>2,444,149</u>	<u>77,133</u>	<u>28,932</u>	<u>2,550,214</u>

18. Debtors

	2017 £	2016 £
Trade debtors	1,577	6,975
VAT debtor	7,286	9,391
Prepayments and accrued income	23,833	19,818
	<u>32,696</u>	<u>36,184</u>

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,516	20,838
Other taxation and social security	17,585	16,875
Other creditors	2,981	2,981
Accruals and deferred income	65,522	45,927
	<u>89,604</u>	<u>86,621</u>

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19. Creditors: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	29,188	31,258
Resources deferred during the year	26,129	29,188
Amounts released from previous years	(29,188)	(31,258)
	26,129	29,188
Deferred income at 31 August 2017	26,129	29,188

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

20. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	240,493	86,761	(22,836)	(45,210)	-	259,208
	240,493	86,761	(22,836)	(45,210)	-	259,208
Restricted funds						
General Annual Grant (GAG)	49,677	1,156,287	(1,241,337)	35,373	-	-
Pupil premium	-	35,380	(35,380)	-	-	-
Universal Infant Free School Meals	-	44,793	(44,793)	-	-	-
Other DfE/ESFA grants	-	17,291	(17,291)	-	-	-
Other government grants	-	6,373	(6,373)	-	-	-
Other generated fund	-	17,329	(17,329)	-	-	-
Pension reserve	(548,000)	-	(69,000)	-	199,000	(418,000)
	(498,323)	1,277,453	(1,431,503)	35,373	199,000	(418,000)
	(498,323)	1,277,453	(1,431,503)	35,373	199,000	(418,000)
Restricted fixed asset funds						
Assets held for depreciation	2,550,214	-	(93,626)	60,605	-	2,517,193
Capital income	-	118,003	-	(50,768)	-	67,235
	2,550,214	118,003	(93,626)	9,837	-	2,584,428
Total restricted funds	2,051,891	1,395,456	(1,525,129)	45,210	199,000	2,166,428
Total of funds	2,292,384	1,482,217	(1,547,965)	-	199,000	2,425,636

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

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	191,228	66,478	(17,213)	-	-	240,493
	<u>191,228</u>	<u>66,478</u>	<u>(17,213)</u>	<u>-</u>	<u>-</u>	<u>240,493</u>
Restricted funds						
General Annual Grant (GAG)	64,427	1,134,579	(1,123,776)	(25,553)	-	49,677
Pupil premium	-	36,142	(36,142)	-	-	-
Universal Infant Free School Meals	-	50,037	(50,037)	-	-	-
Other DfE/ESFA grants	-	9,430	(9,430)	-	-	-
Other government grants	-	2,417	(2,417)	-	-	-
Other generated fund	-	8,735	(8,735)	-	-	-
Pension reserve	(306,000)	-	(37,000)	-	(205,000)	(548,000)
	<u>(241,573)</u>	<u>1,241,340</u>	<u>(1,267,537)</u>	<u>(25,553)</u>	<u>(205,000)</u>	<u>(498,323)</u>
Restricted fixed asset funds						
Assets held for depreciation	2,601,845	-	(84,942)	33,311	-	2,550,214
Capital income	-	7,758	-	(7,758)	-	-
	<u>2,601,845</u>	<u>7,758</u>	<u>(84,942)</u>	<u>25,553</u>	<u>-</u>	<u>2,550,214</u>
Total restricted funds	<u>2,360,272</u>	<u>1,249,098</u>	<u>(1,352,479)</u>	<u>-</u>	<u>(205,000)</u>	<u>2,051,891</u>
Total of funds	<u><u>2,551,500</u></u>	<u><u>1,315,576</u></u>	<u><u>(1,369,692)</u></u>	<u><u>-</u></u>	<u><u>(205,000)</u></u>	<u><u>2,292,384</u></u>

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Notes to the financial statements
for the year ended 31 August 2017

20. Statement of funds (continued)

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.

21. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,517,193	2,517,193
Current assets	348,812	-	67,235	416,047
Creditors due within one year	(89,604)	-	-	(89,604)
Provisions for liabilities and charges	-	(418,000)	-	(418,000)
	<u>259,208</u>	<u>(418,000)</u>	<u>2,584,428</u>	<u>2,425,636</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,550,214	2,550,214
Current assets	240,493	136,298	-	376,791
Creditors due within one year	-	(86,621)	-	(86,621)
Provisions for liabilities and charges	-	(548,000)	-	(548,000)
	<u>240,493</u>	<u>(498,323)</u>	<u>2,550,214</u>	<u>2,292,384</u>

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Notes to the financial statements
for the year ended 31 August 2017

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(65,748)	(54,116)
Adjustment for:		
Depreciation charges	93,626	84,942
Dividends, interest and rents from investments	(4,346)	(2,276)
Loss on the sale of fixed assets	-	1,769
Decrease in debtors	3,488	4,179
Increase/(decrease) in creditors	2,983	(13,957)
Capital grants from DfE and other capital income	(118,005)	(7,758)
Defined benefit pension scheme cost less contributions payable	69,000	37,000
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(19,002)	49,783
	<hr/> <hr/>	<hr/> <hr/>

23. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand	383,351	340,607
	<hr/>	<hr/>
Total	383,351	340,607
	<hr/> <hr/>	<hr/> <hr/>

24. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

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Notes to the financial statements
for the year ended 31 August 2017

25. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £97,977 (2016 - £89,457).

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

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

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Notes to the financial statements
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25. Pension commitments (continued)

out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £58,000 (2016 - £49,000), of which employer's contributions totalled £45,000 (2016 - £38,000) and employees' contributions totalled £13,000 (2016 - £11,000). The agreed contribution rates for future years are 20% for employers and variable% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.10 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
RPI increases	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	23	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

Sensitivity analysis	At 31 August	At 31 August
	2017	2016
	£	£
Discount rate +0.1%	938,000	962,000
Discount rate -0.1%	976,000	1,000,000
Mortality assumption - 1 year increase	993,000	1,010,000
Mortality assumption - 1 year decrease	922,000	953,000
CPI rate +0.1%	974,000	998,000
CPI rate -0.1%	940,000	964,000

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25. Pension commitments (continued)

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	379,000	293,000
Gilts	4,000	4,000
Other Bonds	52,000	46,000
Property	66,000	61,000
Cash and other liquid assets	17,000	10,000
Absolute return fund	21,000	19,000
	<hr/>	<hr/>
Total market value of assets	539,000	433,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £72,000 (2016 - £51,000).

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

	2017	2016
	£	£
Current service cost	(103,000)	(64,000)
Interest income	9,000	14,000
Interest cost	(20,000)	(25,000)
	<hr/>	<hr/>
Total	(114,000)	(75,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	72,000	51,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2017	2016
	£	£
Opening defined benefit obligation	981,000	644,000
Current service cost	103,000	64,000
Interest cost	20,000	25,000
Employee contributions	13,000	11,000
Actuarial (gains)/losses	(119,000)	242,000
Benefits paid	(41,000)	(5,000)
	<hr/>	<hr/>
Closing defined benefit obligation	957,000	981,000
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
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25. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	433,000	338,000
Interest income	9,000	14,000
Actuarial losses	80,000	37,000
Employer contributions	45,000	38,000
Employee contributions	13,000	11,000
Benefits paid	(41,000)	(5,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	539,000	433,000
	<hr/> <hr/>	<hr/> <hr/>

26. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	4,017	4,685
Between 1 and 5 years	3,352	5,130
	<hr/>	<hr/>
Total	7,369	9,815
	<hr/> <hr/>	<hr/> <hr/>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector 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 academy's financial regulations and normal procurement procedures.

During the previous financial year the trust purchased furniture from Inchoak Redman Limited, a company connected to K Williams, totalling £234. There were no further transactions in this financial year.

In entering into the above transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook.