

Company Registration Number: 07662809 (England & Wales)

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members and Trustees B A Reeder¹
J M Del Mar
C F Dalrymple^{1,2}
A J T MacAuslan^{1,3}
T L Richards, Chair of Trustees^{1,2,3}
E Goodman²
J Barclay, Vice Chair^{2,3}
K Protheroe, Deputy Headteacher (resigned as a trustee 18 June 2018)
M Alsop²
T A Haig¹
L J Thomson
T Robinson, Assistant Headteacher (appointed 1 September 2017)¹
N Pritchard, Headteacher (appointed 1 September 2017)^{1,2,3}
A Dang (appointed 18 September 2017)
D Smith (appointed 18 September 2017)²

¹ Finance and Facilities Committee

² Personnel and Standards Committee

³ Chairs Committee

Company registered number 07662809

Company name Pewsey Vale School

Principal and Registered office Pewsey Vale School
Wilcot Road
Pewsey
Wiltshire
SN9 5EW

Company secretary Deborah Clarke

Accounting Officer Neil Pritchard

Senior Leadership Team

Neil Pritchard, Headteacher
Vicky Phillips, Assistant Headteacher
Kirsty Protheroe, Deputy Headteacher
Deborah Clarke, Bursar
Chantal Dean, Assistant Headteacher
Tom Robinson, Assistant Headteacher

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Solicitors Stone King LLP
16 St John's lane
London
EC1M 4BS

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in the Vale of Pewsey. It has a pupil capacity of 535 and had a roll of 314 in the school census on 18 January 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Pewsey Vale School are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

- Up to 6 Trustees who are appointed by Members.
- Between 2 and 5 Parent Trustees who are elected by Parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time they are elected.
- The Trustees may appoint up to 3 co-opted trustees.
- Up to 4 Staff Trustees, comprising 2 teachers and 2 members of the Senior Leadership Team appointed by Trustee Body.
- The Headteacher who shall be treated for all purposes as being an ex officio Trustee.

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

Organisational Structure

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

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

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

The Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The SLT comprises the Headteacher, Deputy and Assistant Headteachers, Extended Leader KS3 and the Bursar. The SLT implements the policies laid down by the Trustees and reports back to them on performance. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

There are three committees and a working group as follows:

- **The Chairs Committee** – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing and for co ordinating the activities of each committee to ensure continued development, strategic planning and sound management of the Academy through the committees. It is also responsible for input into the Academy Development Plan, Board of Trustees objectives, assessment and management of risk, determining the schedule for policy reviews and for setting the agenda for the next Board of Trustees meeting.
- **The Finance and Facilities Committee** – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It is also responsible for buildings and grounds and Health and Safety and also operates as the Audit Committee.
- **The Personnel and Standards Committee** – this meets at least three times a year to deal with all staffing issues and to monitor and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **The Marketing & Communications Working Group** - meets on an as-required basis to improve the image of the school.

The Headteacher is the Accounting Officer.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Pewsey Vale School. There is a nascent Parent Teacher & Friends Associations associated with the Academy. The Academy has strong collaborative links with its feeder schools and with other secondary schools including through The Wessex Partnership.

Pewsey Vale School is part of the Bitterne Park Teaching Alliance. Through this we recruit teachers who train with us. We also benefit from free professional development opportunities and sharing best practice with the Alliance.

We have been further developing our links with Marlborough College. This will offer aspirational opportunities for our students and more collaborative work between the two educational establishments.

In addition, Pewsey Vale School is beginning to forge links with Compass for Life who support our students and staff with aspirations, leadership skills and greater outward facing opportunities.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Pewsey Vale School to provide free education and care for pupils of different abilities between the ages of 11 and 16.

The aims of the Academy during the year ended 31 August 2018 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all students.
- To provide a broad and balanced curriculum, including extra curricular activities.
- To ensure that every child enjoys high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To maximise the number of students who achieve five 4-9 in their studies (or equivalent).
- To develop trainee teachers.
- To comply with all appropriate statutory and curriculum requirements.
- To ensure the Health and Safety of everyone who uses the school.
- To develop the Academy's capacity to manage change.
- To maintain close links with partners, the local community, industry and commerce.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Objectives, Strategies and Activities

Key priorities are contained in our Academy Development Plan. Improvement focuses identified include:

Priority 1: To improve outcomes so that all groups of pupils make good progress and are above the national average.

Objectives:

- Increase headline measures and reduce the gap between school and national attainment.
- Reduce the Disadvantaged Pupil gap (PVS DP against national non-DP)
- Improve rates of progress in all year groups across the curriculum.
- Narrow the gaps in achievement for all niche groups against national.
- Continue to improve outcomes in underperforming subjects.

Priority 2: To improve the quality of learning, teaching & assessment to increase the quality of lessons so that all teaching is at least secure.

Objectives:

- Develop pedagogy to utilise a variety of strategies to challenge and support learning
- Embed the T&L non-negotiables for students and teachers.
- Improve the quality of assessment and feedback given to students using a whole-school approach.
- Embed exam skills throughout the curriculum and build students' resilience.
- Develop a personalised programme of CPD to improve Teaching and Learning.

Priority 3: To develop the quality of leadership to ensure systemic and self-sustaining leadership is in place and leaders are confident in leading areas of responsibility.

Objectives:

- Review and refresh the roles, responsibilities and expectations of all leaders.
- Develop the skills of middle leaders.
- Utilise performance management to increase empowerment & accountability.
- Develop governance.

Priority 4: To increase student numbers and ensure a healthy financial position.

Objectives:

- Increase the frequency and quality of collaborative & transition work with primaries.
- Improve the marketing and publicity of PVS.
- Increase outward-facing activities in the local & wider community.
- Actively investigate Multi Academy Trust / Partnership opportunities.

Public Benefit

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

The Academy aims to advance for the public benefit, education in Pewsey and the surrounding area. For example, it provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools. In particular we provide support to Pewsey Primary School through the provision of school dinners and the use of our facilities.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

STRATEGIC REPORT

Achievements and Performance

The Academy is in its sixth year of operation and the total number of students in the year ended 31 August 2018 was 320.

In 2018 our GCSE results were:

Basics 4+	54%
Basics 5+	26%
Progress 8	-0.68 provisional
Attainment 8	41.20

To ensure that standards are continually monitored and improved, the Academy operates a comprehensive Monitoring and Evaluation Report (MER) programme which includes termly lesson observations and monitoring of key data such as attendance, exclusions and displacements. The MER report also includes student interviews which identify positive changes and further areas for improvement. The Headteacher meets with Subject Leaders to analyse GCSE performance and identify strategies for further improvement and to agree department improvement plans and budgets. An annual programme of department reviews undertaken by the Senior Leadership Team and other senior teachers supports department and school improvement.

The last full OFSTED inspection was in June 2017, when the school was downgraded to 'Requires Improvement'. There are 9 key findings which the school are already addressing.

Going concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the Department of Education (DfE) via the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018 the Academy received total income of £2,270,867 which consisted of grant funding from the DfE of £2,055,073 and other incoming resources of £215,794. The total expenditure for the year, excluding depreciation, was £2,355,759.

At 31 August 2018 the net book value of fixed assets was £4,440,055 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the statement of financial activities with details in Note 21 to the financial statements.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Fraud, Investment of cash balances, Capital Purchase Accounting, Charges and Lettings, Asset Management and Insurance.

Reserves Policy

It is the Trustee's objective to maintain a structure of prudent financial management. The Trustees aim to carry forward a sufficient amount to allow for fluctuations in future funding or unexpected expenditure, whilst ensuring that current year funding is expended to maximise provision of education.

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

The Trustees have determined that the appropriate level of reserves available for educational activities should generally be approximately £150K (in order to provide sufficient working capital to cover delays between spending and receipt of grants and a cushion to deal with unexpected emergencies such as urgent maintenance) but may be higher depending for instance on projected levels of income. Total reserves (unrestricted plus General Annual Grant, including school fund) of the Academy at 31 August 2018 amounted to £112,583.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates: £28K is so invested. No other form of investment is authorised.

Principal Risks And Uncertainties

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

Financial - the Academy has total reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Given the rapidly changing financial circumstances of the school this represents a major risk, which the Trustees keep under close review.

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

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

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

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

Full details of our plans for the future are given in our Academy Development Plan, which is available on request.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the custodian trustees of any other charity.

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 12 December 2018 and signed on the board's behalf by:



T Richards
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Pewsey Vale 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 Pewsey Vale 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 6 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
B A Reeder	6	6
J M Del Mar	6	6
C F Dalrymple	5	6
A J T MacAuslan	5	6
T L Richards, Chair of Trustees	5	6
E Goodman	6	6
J Barclay, Vice Chair	4	6
K Protheroe	0	6
M Alsop	6	6
T A Haig	6	6
L J Thomson	6	6
T Robinson, Assistant Headteacher	5	6
N Pritchard, Headteacher	6	6
A Dang	4	6
D Smith	6	6

Governance reviews:

A review of the Governing Body of Pewsey Vale School has taken place in the form of the completion of a skills matrix (as defined by the National College for Teaching & Learning).

The skills review indicated that when next recruiting for the Governing Body additional financial skills should be considered.

The Finance and Facilities Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receipts of reports from Wiltshire Council and drafting the annual budget including setting staffing levels. It is also responsible for building and grounds and Health and Safety.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J MacAuslan	6	6
B Reeder	4	6
C Dalrymple	3	6
T A Haig	6	6
N Pritchard	6	6
T Richards	5	6
T Robinson	5	6

REVIEW OF VALUE FOR MONEY

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

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

- The Finance and Facilities Committee meets 6 times per academic year and undertakes a stringent review of the school accounts whilst monitoring income and expenditure.
- External Auditors are consulted on an annual basis to review the school accounts at the end of each year.
- Focused teaching resources have been appointed in key subject areas.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pewsey Vale School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Facilities 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;

GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a Member of the Accounting and Budget Support Team from Wiltshire Council to carry out a programme of internal checks.

During the academic year 2017/2018 three visits from the Financial Controls and Assurance Service of Wiltshire Council took place. The Trustees reviewed the accounting systems via regular monitoring of the school budget at six meetings of the Finance & Facilities Committees. In addition, the Academy purchased the services of Wiltshire Council Accounting and Budget Support and a qualified accounting technician visited school on two occasions in support of accounting compliance. Regular communication also took place between the Bursar and Chair of the Finance and Facilities Committees. No matters of significance were identified.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Facilities 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 12 December 2018 and signed on their behalf, by:



**T Richards
Chair of Trustees**



**N Pritchard
Accounting Officer**

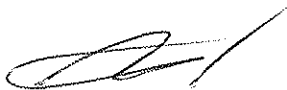
**PEWSEY VALE SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pewsey Vale School I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



**N Pritchard
Accounting Officer**

Date: 12 December 2018

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 2017 to 2018;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**T Richards
Chair of Trustees**

Date: 12 December 2018

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEWSEY VALE SCHOOL

OPINION

We have audited the financial statements of Pewsey Vale School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEWSEY VALE SCHOOL

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year 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.

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' 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 (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 or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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. This description forms part of our Auditors' Report.

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEWSEY VALE SCHOOL

USE OF OUR REPORT

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

16/12/18

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEWSEY VALE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pewsey Vale School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF PEWSEY VALE SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Pewsey Vale School's funding agreement with the Secretary of State for Education dated 1 July 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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

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

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEWSEY
VALE SCHOOL AND THE EDUCATION & 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 16/12/18

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations	2	24,621	62,165	-	86,786	66,451
Charitable activities	5	77,897	2,063,141	-	2,141,038	2,214,507
Other trading activities	3	42,654	-	-	42,654	48,132
Investments	4	389	-	-	389	420
TOTAL INCOME		145,561	2,125,306	-	2,270,867	2,329,510
EXPENDITURE ON:						
Raising funds		50,881	-	-	50,881	40,933
Charitable activities		82,060	2,222,818	116,188	2,421,066	2,429,855
TOTAL EXPENDITURE	6	132,941	2,222,818	116,188	2,471,947	2,470,788
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		12,620	(97,512)	(116,188)	(201,080)	(141,278)
Actuarial gains on defined benefit pension schemes	21	-	231,000	-	231,000	575,000
NET MOVEMENT IN FUNDS		12,620	133,488	(116,188)	29,920	433,722
RECONCILIATION OF FUNDS:						
Total funds brought forward		97,090	(331,220)	4,556,243	4,322,113	3,888,391
TOTAL FUNDS CARRIED FORWARD		109,710	(197,732)	4,440,055	4,352,033	4,322,113

The notes on pages 23 to 44 form part of these financial statements.

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07662809**

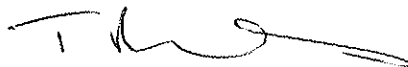
**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		4,440,055		4,556,244
CURRENT ASSETS					
Debtors	14	103,784		108,392	
Cash at bank and in hand		232,746		253,186	
			336,530	361,578	
CREDITORS: amounts falling due within one year	15	(148,552)		(159,709)	
NET CURRENT ASSETS			187,978		201,869
TOTAL ASSETS LESS CURRENT LIABILITIES			4,628,033		4,758,113
Defined benefit pension scheme liability	21		(276,000)		(436,000)
NET ASSETS			4,352,033		4,322,113
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	78,268		104,780	
Fixed asset funds	17	4,440,055		4,556,243	
Restricted funds excluding pension liability		4,518,323		4,661,023	
Pension reserve		(276,000)		(436,000)	
Total restricted funds			4,242,323		4,225,023
Unrestricted funds	17		109,710		97,090
TOTAL FUNDS			4,352,033		4,322,113

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:



**N Pritchard
Accounting Officer**



**T Richards
Chair of Trustees**

The notes on pages 23 to 44 form part of these financial statements.

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(20,829)</u>	<u>45,698</u>
Cash flows from investing activities:			
Interest received		389	420
Purchase of tangible fixed assets		-	(25,200)
Capital grants from ESFA		-	9,805
Net cash provided by/(used in) investing activities		<u>389</u>	<u>(14,975)</u>
Change in cash and cash equivalents in the year		(20,440)	30,723
Cash and cash equivalents brought forward		<u>253,186</u>	<u>222,463</u>
Cash and cash equivalents carried forward	20	<u><u>232,746</u></u>	<u><u>253,186</u></u>

The notes on pages 23 to 44 form part of these financial statements.

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

Pewsey Vale School is a company limited by guarantee, incorporated in England and Wales. The registered office is Wilcot Road, Pewsey, Wiltshire, SN9 5EW.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Pewsey Vale School constitutes a public benefit entity as defined by FRS 102.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

Donations are recognised on a receivable basis where 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Plant and equipment	-	Straight line over 10 years
Motor vehicles	-	Straight line over 8 years

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES AND PROVISIONS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.11 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.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 FUND ACCOUNTING

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

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

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

1.14 OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	24,621	62,165	-	86,786	56,646
Capital Grants	-	-	-	-	9,805
	<u>24,621</u>	<u>62,165</u>	<u>-</u>	<u>86,786</u>	<u>66,451</u>
Total 2017	<u>36,862</u>	<u>19,784</u>	<u>9,805</u>	<u>66,451</u>	

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	6,026	-	6,026	6,882
External Catering	36,482	-	36,482	40,833
Fees received	146	-	146	417
	<u>42,654</u>	<u>-</u>	<u>42,654</u>	<u>48,132</u>
Total 2017	<u>48,132</u>	<u>-</u>	<u>48,132</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	389	-	389	420
	<u>389</u>	<u>-</u>	<u>389</u>	<u>420</u>
Total 2017	<u>420</u>	<u>-</u>	<u>420</u>	

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,635,918	1,635,918	1,852,135
Other DfE/ESFA grants	-	306,512	306,512	232,872
	-	1,942,430	1,942,430	2,085,007
Other Government grants				
Other government grants non capital	-	120,711	120,711	63,429
	-	120,711	120,711	63,429
Other funding				
Internal catering income	47,519	-	47,519	45,608
Sales to students	6,156	-	6,156	5,287
Other Income	24,222	-	24,222	6,220
PSA income	-	-	-	8,956
	77,897	-	77,897	66,071
	77,897	2,063,141	2,141,038	2,214,507
Total 2017	66,071	2,148,436	2,214,507	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Raising funds					
Direct costs	-	-	50,881	50,881	40,933
Support costs	-	-	-	-	-
Education:					
Direct costs	1,300,036	116,188	97,376	1,513,600	1,518,075
Support costs	330,663	295,352	281,451	907,466	911,780
	1,630,699	411,540	429,708	2,471,947	2,470,788
Total 2017	1,673,701	288,769	508,318	2,470,788	

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	5,000	5,000
Educational supplies	32,529	49,891
Examination fees	24,355	26,156
Staff development	2,851	4,452
Other costs	60,413	52,500
Supply teachers	22,942	31,797
Wages and salaries	988,180	984,146
National insurance	94,777	101,544
Pension cost	195,743	169,456
Depreciation	86,810	93,133
	<u>1,513,600</u>	<u>1,518,075</u>
Total 2017	<u>1,518,075</u>	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	7,000	14,000
Recruitment and support	15,364	18,434
Maintenance of premises and equipment	264,616	185,167
Cleaning	2,365	2,603
Rent and rates	18,168	15,025
Energy costs	43,788	43,394
Insurance	6,360	-
Security and transport	10,203	11,395
Internal catering provisions and free school meals provided	22,682	33,385
Technology costs	95,609	96,497
Office overheads	22,997	21,857
Legal and professional	30,448	30,408
Governance	7,825	9,065
Wages and salaries	230,138	286,130
National insurance	14,987	18,588
Pension cost	85,538	95,009
Depreciation	29,378	30,823
	<u>907,466</u>	<u>911,780</u>
Total 2017	<u>911,780</u>	

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9. NET INCOME / (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy	116,189	123,956
Auditors' remuneration - audit	5,475	5,450
Auditors' remuneration - non-audit	2,150	2,040
Operating lease rentals:		
- plant and machinery	3,024	3,867
	<u>126,788</u>	<u>135,313</u>

PEWSEY VALE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,215,213	1,256,792
Social security costs	110,987	121,121
Operating costs of defined benefit pension schemes	281,557	265,462
	<u>1,607,757</u>	<u>1,643,375</u>
Supply teacher costs	22,942	30,326
	<u>1,630,699</u>	<u>1,673,701</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	22	24
Education support staff	32	36
Management	6	4
	<u>60</u>	<u>64</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	19	19
Education support staff	16	17
Management	6	5
	<u>41</u>	<u>41</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	0

d. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £380,389 (2017: £275,960).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not received any payments, other than expenses, from the Academy in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits were as follows: N Pritchard: Remuneration £70,000 - £80,000 (2017: £70,000 - £80,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000); K Protheroe: Remuneration £25,000 - £30,000 (2017: £50,000 - £60,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000); T Robinson: Remuneration £50,000 - £60,000 (2017: £Nil), Employer's pension contributions £5,000 - £10,000 (2017: £Nil).

During the year, no Trustees received any benefits in kind (2017: £Nil).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and for the year ended 31 August 2018 the cover was provided through the Education and Skills Funding Agency's Risk Protection Arrangement. Accordingly, the cost of trustee indemnity is not separately identifiable.

PEWSEY VALE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Freehold land and property £	Plant and equipment £	Total £
COST			
At 1 September 2017 and 31 August 2018	4,810,502	425,090	5,235,592
DEPRECIATION			
At 1 September 2017	483,683	195,665	679,348
Charge for the year	78,436	37,753	116,189
At 31 August 2018	562,119	233,418	795,537
NET BOOK VALUE			
At 31 August 2018	4,248,383	191,672	4,440,055
At 31 August 2017	4,326,819	229,425	4,556,244

Included in freehold land and property above is freehold land of £888,735 which is not depreciated.

14. DEBTORS

	2018 £	2017 £
Trade debtors	1,990	-
VAT recoverable	24,380	37,268
Prepayments and accrued income	77,414	71,124
	<u>103,784</u>	<u>108,392</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	105,036	109,808
Taxation and social security	26,726	28,494
Other creditors	3,699	2,831
Accruals and deferred income	13,091	18,576
	<u>148,552</u>	<u>159,709</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	-	1,750
Resources deferred during the year	2,668	-
Amounts released from previous years	-	(1,750)
	<u>2,668</u>	<u>-</u>
Deferred income at 31 August 2018	<u>2,668</u>	<u>-</u>

16. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	270,179	317,478
	<u>270,179</u>	<u>317,478</u>
Financial liabilities measured at amortised cost	(120,292)	(71,772)
	<u>(120,292)</u>	<u>(71,772)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and accrued income.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS					
General funds	97,090	145,561	(132,941)	-	109,710
RESTRICTED FUNDS					
General Annual Grant (GAG)	104,780	1,635,918	(1,737,825)	-	2,873
Rates	-	8,825	(8,825)	-	-
Disadvantaged Pupils	-	67,760	(67,760)	-	-
Young People's Support Service	-	30,778	(30,778)	-	-
CIF Grant	-	260,139	(200,422)	-	59,717
Other restricted funds	-	121,886	(106,208)	-	15,678
Pension reserve	(436,000)	-	(71,000)	231,000	(276,000)
	(331,220)	2,125,306	(2,222,818)	231,000	(197,732)
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	4,337,611	-	(78,435)	-	4,259,176
Fixed assets purchased from GAG and other restricted funds	218,632	-	(37,753)	-	180,879
	4,556,243	-	(116,188)	-	4,440,055
Total restricted funds	4,225,023	2,125,306	(2,339,006)	231,000	4,242,323
Total of funds	4,322,113	2,270,867	(2,471,947)	231,000	4,352,033

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school.

Disadvantaged Pupils funding represents amounts received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Young People's Support Service (YPSS) represents income from the local authority to improve the social and educational inclusion of vulnerable students.

Enhanced Learning represents amounts received from the local authority for improving the communication and learning of SEN students.

CIF funding represents amounts received to replace the flat roof in the science block.

Rates relief represents funding received from the ESFA for the reimbursement of business rates cost.

PEWSEY VALE SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

Other restricted funds represent amounts received from parents for school trips and other small grants.

The pension reserve presents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Wiltshire Council on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds represents amounts spent on fixed assets from GAG funding and other grants received from the ESFA together with donations from Pewsey Vale Coaches and The Savoy Trust.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General funds	90,874	151,485	(145,269)	-	-	97,090
RESTRICTED FUNDS						
General Annual Grant (GAG)	84,518	1,852,135	(1,816,478)	(15,395)	-	104,780
Rates	-	8,574	(8,574)	-	-	-
Pupil Premium	-	63,215	(63,215)	-	-	-
Young People's Support Service	-	30,656	(30,656)	-	-	-
CIF Grant	-	161,083	(161,083)	-	-	-
Other restricted funds	-	52,557	(52,557)	-	-	-
Pension reserve	(942,000)	-	(69,000)	-	575,000	(436,000)
	<u>(857,482)</u>	<u>2,168,220</u>	<u>(2,201,563)</u>	<u>(15,395)</u>	<u>575,000</u>	<u>(331,220)</u>

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17. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	4,416,048	-	(78,437)	-	-	4,337,611
Fixed assets purchased from GAG and other restricted funds	238,951	9,805	(45,519)	15,395	-	218,632
	<u>4,654,999</u>	<u>9,805</u>	<u>(123,956)</u>	<u>15,395</u>	<u>-</u>	<u>4,556,243</u>
Total restricted funds	<u>3,797,517</u>	<u>2,178,025</u>	<u>(2,325,519)</u>	<u>-</u>	<u>575,000</u>	<u>4,225,023</u>
Total of funds	<u>3,888,391</u>	<u>2,329,510</u>	<u>(2,470,788)</u>	<u>-</u>	<u>575,000</u>	<u>4,322,113</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,440,055	4,440,055
Current assets	109,710	226,820	-	336,530
Creditors due within one year	-	(148,552)	-	(148,552)
Pension scheme liability	-	(276,000)	-	(276,000)
	<u>109,710</u>	<u>(197,732)</u>	<u>4,440,055</u>	<u>4,352,033</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,556,243	4,556,243
Current assets	146,834	214,744	-	361,578
Creditors due within one year	(49,744)	(109,964)	-	(159,708)
Pension scheme liability	-	(436,000)	-	(436,000)
	<u>97,090</u>	<u>(331,220)</u>	<u>4,556,243</u>	<u>4,322,113</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(201,080)	(141,278)
Adjustment for:		
Depreciation charges	116,189	123,956
Interest received	(389)	(420)
Decrease/(increase) in debtors	4,608	(41,655)
(Decrease)/increase in creditors	(11,157)	45,900
Capital grants from DfE and other capital income	-	(9,805)
Defined benefit pension scheme cost less contributions payable	59,000	69,000
Defined benefit pension scheme finance cost	12,000	-
Net cash (used in)/provided by operating activities	(20,829)	45,698

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	232,746	253,186
	232,746	253,186

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £138,485 (2017: £135,456).

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 an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The

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21. PENSION COMMITMENTS (continued)

trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £104,000 (2017: £108,000), of which employer's contributions totalled £84,000 (2017: £86,000) and employees' contributions totalled £20,000 (2017: £22,000). The agreed contribution rates for future years are 21.8% for employers and 5.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5 years	22.5 years
Females	24.9 years	24.9 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.7 yeras

	At 31 August	At 31 August
Sensitivity analysis	2018	2017
	£000	£000
0.5% decrease in Real Discount Rate	232	222
0.5% increase in the Salary Increase Rate	31	33
0.5% increase in the Pension Increase Rate	199	187

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,208,420	1,063,000
Gilts	238,280	210,000
Property	221,260	194,000
Cash and other liquid assets	34,040	30,000
	<u>1,702,000</u>	<u>1,497,000</u>

The actual return on scheme assets was £94,000 (2017: £170,000).

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

	2018 £	2017 £
Current service cost	(143,000)	(136,000)
Interest income	38,000	25,000
Interest cost	(50,000)	(44,000)
	<u>(155,000)</u>	<u>(155,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,933,000	2,130,000
Current service cost	143,000	136,000
Interest cost	50,000	44,000
Contributions by employees	20,000	20,000
Actuarial gains	(137,000)	(405,000)
Benefits paid	(31,000)	8,000
	<u>1,978,000</u>	<u>1,933,000</u>

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21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,497,000	1,188,000
Return on plan assets (excluding net interest on the net defined pension liability)	38,000	25,000
Actuarial losses	94,000	170,000
Employer contributions	84,000	86,000
Employee contributions	20,000	20,000
Benefits paid	(31,000)	8,000
	<u>1,702,000</u>	<u>1,497,000</u>
Closing fair value of scheme assets	<u>1,702,000</u>	<u>1,497,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	2,115	2,814
Between 1 and 5 years	4,718	1,747
Total	<u>6,833</u>	<u>4,561</u>

23. 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 a Trustee 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.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

24. 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.