
ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Dr U Wilson (resigned 20 September 2016)
Revd. G Cooper (appointed 20 September 2016)
Mrs T Richardson
Mr O Wilson (appointed 7 December 2015)
Revd. P Brent (resigned 31 August 2016)
Mrs A Warrick (appointed 1 September 2016)
Mrs S Jennings (resigned 5 October 2015)
Mr K Cooke (appointed 28 November 2016)

Trustees

Dr U Wilson, Chair of Trustees to 20 September 2016 (resigned 21 October 2016)
Revd. G Cooper, Vice Chair of Trustees to 20 September 2016 then Chair of Trustees
Mrs J Marshall, Vice Chair of Trustees from 20 September 2016
Mrs T Richardson
Mr O Wilson
Mr D Evans
Mrs S Richey
Mrs P Watson
Mrs E Chisolm, Vice Chair of Trustees from 20 September 2016
Miss F Dicker, Head Teacher
Mrs K Standen, Staff Trustee
Mrs S Dobson, Staff Trustee (resigned 20 September 2016)
Revd. M Warrick (resigned 19 October 2015)
Mr M Cooke (resigned 20 October 2015)
Mrs J Ince (resigned 3 November 2015)
Mrs S Jennings (resigned 5 October 2015)
Mr S Bull (appointed 28 November 2016)

Company Registration Number

08321824

Company name

St Gilbert's Church of England Primary School

Registered Office

St Gilbert's C of E Primary School, Foundry Road, Stamford, Lincs, PE9 2PP

Accounting Officer

Miss F Dicker

Senior Leadership Team

Miss F Dicker, Headteacher
Mrs J Exton, Assistant Headteacher to Easter 2016
Mrs K Standen, Assistant Headteacher from Easter 2016
Mrs C Bontoft, Key Stage Leader
Miss M Cross, Key Stage Leader

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Advisers (continued)

Mrs L Glossop, Chief Financial Officer to Easter 2016
Mr P Allan, Chief Financial Officer from Easter 2016

Independent Auditors

Streets Audit LLP, Windsor House, A1 Business Park at Long Bennington, Notts, NG23 5JR

Bankers

Lloyds Bank Plc, PO Box 1000, Andover, BX1 1LT

Solicitors

Chattertons Solicitors, 28 Wide Bargate, Boston, Lincs, PE21 6RT

Actuaries

Hymans Robertson LLP, One London Wall, London, EC2Y 5EA

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report for St Gilbert's Church of England Primary School (the Academy) for the period September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates St Gilbert's Church of England Primary in Stamford Lincolnshire for pupils aged 4 - 11. It has a pupil capacity of 315 and had a roll of 311 in the school census in October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The principal object of the Academy is to provide primary education in the UK, by establishing, maintaining, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England. The trustees of St Gilbert's church of England Primary Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Gilbert's Church of England Primary School.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the academy has purchase insurance to protect governors and officers from claims arising from negligent acts, errors or omission occurring whilst on academy business

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. In recruiting or appointing Trustees, they will consider the skills audits completed and look to recruit those who hold these skills. The Academy directly follows its constitution in respect of whether they can appoint directly or whether the post is to be filled through an election process. In the latter case, they will identify the key skills in the information provided.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All trustees are welcomed in person by the Chairman and Headteacher. An induction pack is provided and its upkeep is delegated to the one of our Governors. Training for governors was completed during the year on a range of topics relating to academies and education, including Academy Finance and Governance, The Governing Body's Role in Holding the School to Account, Effective use of pupil premium funding, OFSTED, Safeguarding and Clerks briefings. Governors are encouraged to attend appropriate external training courses

All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans, and other documents that they need to undertake their role as Trustees.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

ORGANISATIONAL STRUCTURE

The Board of Governors delegates operations to the following sub-committees: Resources Committee and Education and Standards Committee. The Board of Governors also delegates monitoring of whole school improvement priorities to individual or groups of Governors. All governors are involved in defining the strategic direction of the school. The Headteacher is the Accounting Officer.

The Senior Leadership Team consists of the Head Teacher, one Deputy Headteacher, two Key Stage Leaders and School Business Manager. The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the school nurtures the talents of its entire staff to support continual improvement and excellence.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Governors operate a pay and performance structure where pay increases are only awarded should staff achieve their targets and their classroom practice merits the award. The process is clearly defined in our pay policy which is reviewed annually to ensure it reflects current STPCD expectations.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The academy is aware of the letter to accounting officers which details how goods and services from connected companies should be provided at cost and the supplier should make no profit. We also are knowledgeable of the Financial Handbooks expectation regarding the provision of services and goods from connected parties. The academy remains astute to this matter. The academy is not connected to other organisations and has not completed transactions that would involve related parties so ensuring our full propriety.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

Our academy vision is 'to inspire a love of learning'

Within our academy we aim to provide a:

- Inspirational teaching that enables all our children to flourish as confident and independent learners;
- A vibrant curriculum that fires each child's imagination to explore and fulfil their own potential;
- A loving, Christian school family that values every child and takes pride in their achievements.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy sets out its objectives to deliver excellent education through reflection and self-evaluation which brings together the professionals and governors at different times to jointly review the success of targeted improvements, to analyse performance across the school and to develop and consider the new school priorities. This strategic document sets out the specific areas of activity required to drive improvement.

Priorities 2015-2016

Priority 1: Continue to develop good teaching and increase the amount of outstanding teaching and learning

EYFS provision is now judged to be outstanding by our external advisor with 95.5% of pupils achieving a Good Level of development and 40% of pupils exceeding expectations. Phonics teaching and learning in Y1.2 demonstrate outstanding impact on progress due to Read Write Inc training resulting in an all time high of 91% of pupils qualifying in Y1.

Children have made good progress in their learning within a demanding new curriculum and new assessment procedures reflecting therefore good and better teaching. Ofsted recognised teaching to be good.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Priority 2: To develop the learning within Religious Education and increase the impact of Collective Worship using Pupil voice

The Governor monitoring committee was very effective in ensuring the strategic picture. Improvements have impacted positively on school performance.

Priority 3: Pupils have an excellent understanding of how to stay safe online and are actively responsible in all aspects in and out of school

The academy completed a self-evaluation of its practices. We also increased pupil ownership with Young Governors becoming e-cadets who established the E-Safety code. Governor monitoring took place to ensure a strategic understanding on the actions and position of the academy. Pupil/parent and staff questionnaires were also completed and actions through an E-safety Day along with pupil and parent evenings led by an external adviser. Ofsted recognised pupils as having a 'very good understanding' in its inspection.

Priority 4: To increase progress measures in Maths across the school to ensure that 90% of pupils are at expected or above progress

Numicon training has been implemented by staff with good results being seen in teaching and learning. Staff attended external and internal training Triangulation activities strengthened the strategic picture of the strengths and weaknesses of the academy. Ofsted recognised the positive impact on progress.

Priority 5: To increase progress measures to 80% at KS1 in phonics and to increase the provision of reading materials for pupils in KS1 linked to RWI and for the more able across the school

Impact of monitoring by our Phonics Lead led to outstanding impact in EYFS and KS1 as demonstrated the 91.1% result – an increase of 41% on last year and the highest result ever for the academy. This was also supported by internal and external training and observations for staff. All disadvantaged pupils qualified in Y1.

Priority 6: To develop the outdoor provision of the school linked to SMSC, well-being, sporting provision

The school refurbished one room in the school to ensure teaching and learning could be maximised in smaller groups. The academy has developed a wildlife area as part of the academy's ECO agenda. These two areas are linked geographically to maximise learning opportunities.

Priority 7: To further strengthen provision of sport across the school to ensure that 70% of pupils are involved by the end of the academic year in wider opportunities and teaching is strengthened through training

Sports development was excellent in the last academic year. The Sports Governor regularly met with the Sports Leader and also supported the school in locating ideas for sport involvement. Recognised at Ofsted 2016, 100% of KS2 pupils now take part in a sporting activity additional to their lessons. Staff also took part in external and internal training to further develop their skills. Our Sports Ambassadors also led a Healthy Lifestyles Club for pupils in the school to impact on their well-being and improving their self-confidence. The academy is now to provide more opportunities for younger children in after school clubs.

Priority 8: To develop the first hand monitoring of school improvement by the FGB

Ofsted recognised that the Board of Governors had greatly improved its effectiveness since the NGA review which it decided to undertake itself and had developed a clear understanding of the strengths of the school and the priorities for further development.

PUBLIC BENEFIT

The Governors have paid due regard to guidance issued by the Charity Commission in relation to public benefit in deciding what activities the academy should undertake.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY PERFORMANCE INDICATORS

Our recent Ofsted inspection 2016 recognises that the academy 'continues to be Good'.

Attendance

This continues to be above the national average.

EYFS

The scores achieved were the highest for many years with a Good Level of Development (GLD) of 95.6%. This was a significant improvement on the last four years data. The outcomes demonstrate a four year rising trend. The GLD found nationally in 2016 is 69%. The average points scores also show a four year rising trend with a very high 41.7 points in 2016 compared to a national figure of 34.4 and a Lincolnshire outcome of 34.9.

Phonics

The measures in Year 1 at an all time high with 91% of pupils qualifying which is above national figures. This is a rise of 41% on 2015 and also a 15% rise on 2014.

Phonics measures at the end of Year 2 demonstrate a cumulative score of 93% which is above national. This is a rise of 7% rise on 2015.

Key Stage 1

	At Standards	National	Greater depth	National
Reading	69%	74%	29%	24%
Writing	74%	65%	17%	13%
Maths	71%	73%	12%	18%

	At Standards	Greater depth
R/W/M	60%	10%
National	60%	9%

Key Stage 2

	At Standards	Greater depth	National AS	National AS (GDS)
Reading	77%	32%	66%	19%
Writing	70%	11%	74%	15%
Maths	70%	18%	70%	17%
SPaG	86%	39%	72%	22%

	At Standards	Greater depth
R/W/M	55%	7%
National	53%	5%

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 Statement of Accounting Policies

FINANCIAL REVIEW

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust held fund balances at 31 August 2016 of £2,559,910, comprising £203,895 of restricted funds, a fixed asset reserve of £2,674,361, a pension reserve deficit of £520,000 and £201,654 of unrestricted general funds.

Most of the trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £1,251,128 was more than recurrent restricted grant funding from the EFA together with other restricted incoming resources. The excess of expenditure over income for the period was £6,890.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period under review there was no GAG carried forward. Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2016 this was 82.7% and this will be monitored in future periods.

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the academy balance sheet shows a net liability of £520,000.

Detail is still awaited on future funding from 2016 onwards. Pupil members are expected to remain stable.

RESERVES POLICY

The trustees consider an appropriate level of reserves to be in the order of just over 2 months staff expenditure, which reflects the increased NI contributions being made by support staff and to insulate the academy in the event of EFA funding becoming interrupted. The carry forwards at 31 August 2016 is considered to be in line with that objective. The academy spent Capital Devolved monies on supporting the implementation of a Games Space for pupils in the school.

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

At 31 August 2016, free reserves held amount to £201,654 and restricted general funds amount to £203,895.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £2,674,361.

The pension fund is in deficit by £520,000.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Total funds at 31 August 2016 amount to £2,559,910, and the balance on restricted general funds plus unrestricted general funds at 31 August 2016 results in a net surplus of £405,549.

INVESTMENT POLICY

It has been agreed by the Trustees that the academy will invest funds prudently to maximise financial security of the academy.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks, including internal financial controls. The risk register is the strategic document which covers risks under five headings: governance, financial/compliance, operational, external factors and safeguarding.

Based on the strategic plan, the Trustees undertake a comprehensive review at committee level of the risks to which the academy is exposed to ensure that all members of Governance take a full part in strategic decisions. They identify systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Trustees also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the academy.

PLANS FOR FUTURE PERIODS

The academy will continue to exploit the opportunities afforded by conversion to academy status: Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also to improve the school estate, in line with the Academy Strategic and Improvement Plans.

Our priorities for this academic and financial 2016-2017 year are as follows:

- Improve the standard and quality of spelling - the academy has learned it requires a very specific programme to raise the spelling abilities of our pupils. This was recognised as a priority in our Ofsted inspection 2016;
- Improve the quality and standard of presentation - this was recognised as a priority in our Ofsted inspection 2016;
- Diminish the difference for all disadvantaged children in the academy with the result being that they make greater progress with the long term ambition being that all are in line with their peers nationally. This was recognised as a priority in our Ofsted Inspection 2016;
- Develop provision in all areas in readiness for our Church School Inspection using ongoing leadership of key staff members in conjunction with foundation governors;
- Develop teaching and learning skills in Mathematics.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy does not hold any funds on behalf of others.

AUDITOR

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2016 and signed on the board's behalf by:

Revd. G Cooper
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that St Gilbert's Church of England 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 Principal, 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 St Gilbert's Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Dr U Wilson, Chair of Trustees to 20 September 2016	7	7
Revd. G Cooper, Vice Chair of Trustees to 20 September 2016 then Chair of Trustees	4	7
Mrs J Marshall, Vice Chair of Trustees from 20 September 2016	6	7
Mrs T Richardson	6	7
Mr O Wilson	7	7
Mr D Evans	7	7
Mrs S Richey	3	7
Mrs P Watson	7	7
Mrs E Chisolm, Vice Chair of Trustees from 20 September 2016	7	7
Miss F Dicker	7	7
Mrs K Standen, Staff Trustee	5	7
Mrs S Dobson, Staff Trustee	7	7
Revd. M Warrick	2	2
Mr M Cooke	2	2
Mrs J Ince	2	2
Mrs S Jennings	1	1
Mr S Bull	0	0

The academy commissioned an NGA Review of Governance to further strengthen its effectiveness. Following this it was decided in September 2015 to reduce the Board of Governors to 12.

As recognised in our Ofsted inspection in July 2016, the Board of Governors has greatly increased its effectiveness through committee monitoring. As a result they have a good understanding of the strengths of the school and the areas for improvement.

The Board of Governors continues to review its effectiveness at each meeting.

The **Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to ensure that the facilities and resources are applied to support the delivery of the Academy Development Plan, both now and in the future.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Revd. G Cooper	4	5
Mrs T Richardson	4	5
Mrs P Watson	5	5
Mrs E Chisholm	5	5
Mr O Wilson	5	5
Miss F Dicker	5	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal 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:

Improving Educational Outcomes

Targeted Improvement

The Academy has focussed on targeted improvement to ensure maximum impact on learning outcomes for all pupils. This has been in preparing for the new Standard Assessments at the end of KS1 and KS2. Staff have attended external training to prepare for these and have brought this training into school, preparing other staff to ensure maximum gains can be achieved. The Academy continued to focus on ensuring the quality of teaching was rising and this was positively recognised in our Ofsted inspection. We also collaborated with Teaching Schools to ensure that staff in their Induction year achieved QTS successfully. The academy also ensured that Phonics teaching and learning continued to be monitored by Senior Leadership on a regular basis which realised excellent results building on the rising trend seen over the last three years in EYFS.

New Initiatives

The Academy introduced a new scheme for Mathematics along with new practical resources in order for pupils to learn increasingly fast and therefore to raise standards in response to previous results. Teaching and Learning were monitored closely and as a result, pupils are now making increased progress as recognised in our recent Ofsted inspection. The Academy continued to provide additional support which included 1.1 tuition for pupils in receipt of the Pupil Premium Grant and their progress is now improving.

Collaboration

The school continued to engage external agencies to deliver additional enhancement to learning such as Sport – the aim being to provide greater breadth to learning and include additional high levels of expertise into the curriculum. As an academy we are fully committed to continual professional development for all staff in school. We invested highly in training on opportunities such as Read Write Inc. Sport, Assessment and Numicon realising improvements in all areas. Further to this the academy continues to work with other local secondary and primary schools in developing opportunities for pupils and staff. We currently engage a member of staff from the local secondary school to provide additional support for specific pupils in school in order to raise standards. We also collaborated with another primary school to standardise writing assessments.

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

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GOVERNANCE STATEMENT (continued)

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 St Gilbert's Church of England Primary School for the year 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 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 General Purposes 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 HCSS as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the period four visits were completed and reported back to the board of trustees.

In particular the checks carried out in the current period included areas such as:

- Roles and responsibilities;
- Financial procedures;
- Purchasing.

The academy has improved its financial practices such as:

- Ensuring the Finance Policy and Financial Regulations Manual do not overlap and also ensuring both are comprehensive in detail;
- Considering whether to not maintain a separate school fund and to amalgamate it with the academy accounting system;
- Reviewed our asset inventory to ensure it was fully up to date which in turn supports our three year costed Improvement Plan for the academy;

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GOVERNANCE STATEMENT (continued)

- Ensure that all budget holders will receive a monthly report to show actual and committed expenditure.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 internal auditor;
- the work of the external auditors;
- 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 General Purpose Committee and Audit 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 5 December 2016 and signed on their behalf, by:

Revd. G Cooper
Chair of Trustees

Miss F Dicker
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Gilbert's Church of England Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.

Miss F Dicker
Accounting Officer

Date: 5 December 2016

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of St Gilbert's Church of England 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 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 2015 to 2016;
- 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 the EFA/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 5 December 2016 and signed on its behalf by:

Rev. G Cooper
Chair of Trustees

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL

We have audited the financial statements of St Gilbert's Church of England Primary School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education 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 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR
13 December 2016

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST GILBERT'S
CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Gilbert's Church of England Primary School during the year 1 September 2015 to 31 August 2016 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 St Gilbert's Church of England Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Gilbert's Church of England Primary School and the EFA 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 St Gilbert's Church of England Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL'S
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of St Gilbert's Church of England Primary School's funding agreement with the Secretary of State for Education dated 21 December 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR

13 December 2016

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	27,691	2,500	27,000	57,191	121,856
Charitable activities	5	22,208	1,241,738	-	1,263,946	1,345,115
Other trading activities	3	12,588	-	-	12,588	18,612
Investments	4	1,175	-	-	1,175	986
TOTAL INCOME		63,662	1,244,238	27,000	1,334,900	1,486,569
EXPENDITURE ON:						
Raising funds		4,575	-	-	4,575	-
Charitable activities		38,852	1,277,128	75,604	1,391,584	1,377,532
TOTAL EXPENDITURE	7	43,427	1,277,128	75,604	1,396,159	1,377,532
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS						
Net gains on investments	13	20,235 347	(32,890) -	(48,604) -	(61,259) 347	109,037 842
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	-	(8,635)	8,635	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	21	-	(186,000)	-	(186,000)	(16,000)
NET MOVEMENT IN FUNDS		20,582	(227,525)	(39,969)	(246,912)	93,879
RECONCILIATION OF FUNDS:						
Total funds brought forward		181,072	(88,580)	2,714,330	2,806,822	2,712,943
TOTAL FUNDS CARRIED FORWARD		201,654	(316,105)	2,674,361	2,559,910	2,806,822

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		2,674,361		2,714,330
Investments	13		13,394		13,047
			<u>2,687,755</u>		<u>2,727,377</u>
CURRENT ASSETS					
Debtors	14	40,561		46,613	
Cash at bank and in hand		416,775		446,819	
		<u>457,336</u>		<u>493,432</u>	
CREDITORS: amounts falling due within one year	15	(65,181)		(105,987)	
NET CURRENT ASSETS			<u>392,155</u>		<u>387,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,079,910</u>		<u>3,114,822</u>
Defined benefit pension scheme liability	21		(520,000)		(308,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>2,559,910</u>		<u>2,806,822</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	203,895		219,420	
Restricted fixed asset funds	16	2,674,361		2,714,330	
Restricted funds excluding pension liability		<u>2,878,256</u>		<u>2,933,750</u>	
Pension reserve		(520,000)		(308,000)	
Total restricted funds			<u>2,358,256</u>		<u>2,625,750</u>
Unrestricted funds	16		201,654		181,072
TOTAL FUNDS			<u>2,559,910</u>		<u>2,806,822</u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

Revd. G Cooper
Chair of Trustees

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

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(22,237)</u>	<u>116,265</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		828	144
Purchase of tangible fixed assets		(35,635)	(109,825)
Capital grants		27,000	-
Net cash used in investing activities		<u>(7,807)</u>	<u>(109,681)</u>
Change in cash and cash equivalents in the year		(30,044)	6,584
Cash and cash equivalents brought forward		<u>446,819</u>	<u>440,235</u>
Cash and cash equivalents carried forward		<u>416,775</u>	<u>446,819</u>

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Gilbert's Church of England Primary School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of St Gilbert's Church of England Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Gilbert's Church of England Primary School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 Education Funding Agency.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 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 there is certainty of receipt and it is measurable.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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.

1.4 Expenditure

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 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..

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land	-	Not depreciated
Long leasehold property	-	2% straight line
Furniture and equipment	-	25% straight line
Computer equipment	-	33% straight line

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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.

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

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

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

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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There have been no judgements that the trustees have made in the process of applying the entity's accounting policies that have made a significant effect on the amounts recognised in the financial statements.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations and other voluntary income from clubs, trips etc.	27,691	2,500	-	30,191	<i>54,656</i>
Capital grants	-	-	27,000	27,000	<i>67,200</i>
Total donations and capital grants	27,691	2,500	27,000	57,191	<i>121,856</i>

In 2015, of the total income from donations and capital grants, £54,656 was to unrestricted funds and £67,200 was to restricted funds

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Lettings income	12,588	-	12,588	18,612
	<u>12,588</u>	<u>-</u>	<u>12,588</u>	<u>18,612</u>

In 2015, of the total income from other trading activities, £18,612 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest	1,175	-	1,175	986
	<u>1,175</u>	<u>-</u>	<u>1,175</u>	<u>986</u>

In 2015, of the total investment income, £ 986 was to unrestricted funds and £ NIL was to restricted funds.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
DfE/EFA grants				
General Annual Grant (GAG)	-	1,110,087	1,110,087	1,137,549
Other DfE/EFA grants	-	121,376	121,376	140,548
	<u>-</u>	<u>1,231,463</u>	<u>1,231,463</u>	<u>1,278,097</u>
Other government grants				
Local authority grants	-	10,275	10,275	29,829
	<u>-</u>	<u>10,275</u>	<u>10,275</u>	<u>29,829</u>
Other funding				
Other income	22,208	-	22,208	37,189
	<u>22,208</u>	<u>-</u>	<u>22,208</u>	<u>37,189</u>
	<u>22,208</u>	<u>1,241,738</u>	<u>1,263,946</u>	<u>1,345,115</u>

In 2015, of the total income from charitable activities, £36,369 was to unrestricted funds and £1,308,746 was to restricted funds.

ST GILBERT'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. CHARITABLE ACTIVITIES

	2016 £	2015 £
DIRECT COSTS		
Wages and salaries	724,941	698,899
National insurance	42,921	37,073
Pension costs	106,083	90,751
Depreciation	18,084	16,371
Other direct costs	94,436	103,873
	986,465	946,967
SUPPORT COSTS		
Wages and salaries	115,619	114,585
National insurance	5,092	4,372
Pension costs	33,427	39,436
Depreciation	57,520	50,443
Technology costs	15,749	19,141
Premises costs	55,252	61,108
Other support costs	105,588	119,402
Governance costs	16,872	18,078
	405,119	426,565
	1,391,584	1,373,532

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	4,575	4,575	-
Academy's Educational operations:					
Direct costs	873,945	-	112,520	986,465	946,967
Support costs	154,138	55,252	195,729	405,119	430,565
	1,028,083	55,252	312,824	1,396,159	1,377,532

In 2016, of the total expenditure, £43,427 (2015 - £157,373) was to unrestricted funds and £1,352,732 (2015 - £1,220,159) was to restricted funds.

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8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	75,604	<i>66,814</i>
Auditors' remuneration - audit	2,200	<i>2,200</i>
Auditors' remuneration - other services	3,458	<i>4,568</i>
Operating lease rentals	4,120	<i>3,334</i>
	=====	=====

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9. STAFF COSTS

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	840,560	<i>813,484</i>
Social security costs	48,013	<i>41,445</i>
Pension costs	139,510	<i>130,187</i>
	<u>1,028,083</u>	<i><u>985,116</u></i>

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

	2016	<i>2015</i>
	No.	No.
Management	1	<i>1</i>
Teachers and teaching assistants	33	<i>29</i>
Admin and support	17	<i>18</i>
	<u>51</u>	<i><u>48</u></i>

Average headcount expressed as a full time equivalent:

	2016	<i>2015</i>
	No.	No.
Management	1	<i>1</i>
Teachers and teaching assistants	22	<i>22</i>
Admin and support	6	<i>6</i>
	<u>29</u>	<i><u>29</u></i>

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

	2016	<i>2015</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>0</i>

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 £134,712 (2015 - £122,467).

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10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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:

		2016	<i>2015</i>
		£	£
Miss F Dicker, Headteacher	Remuneration	60,000-65,000	<i>55,000-60,000</i>
	Pension contributions paid	10,000-15,000	<i>5,000-10,000</i>
Mrs S Dobson, Staff Trustee	Remuneration	15,000-20,000	<i>15,000-20,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>
Mrs K Standen, Staff Trustee	Remuneration	35,000-40,000	<i>nil</i>
	Pension contributions paid	5,000-10,000	<i>nil</i>
Mr R Westley, Staff Trustee	Remuneration	nil	<i>30,000-35,000</i>
	Pension contributions paid	nil	<i>0-5,000</i>

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £477 (2015 - £525).

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12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2015	2,767,185	41,592	52,287	2,861,064
Additions	32,095	-	3,540	35,635
At 31 August 2016	<u>2,799,280</u>	<u>41,592</u>	<u>55,827</u>	<u>2,896,699</u>
Depreciation				
At 1 September 2015	106,649	20,164	19,921	146,734
Charge for the year	47,307	10,399	17,898	75,604
At 31 August 2016	<u>153,956</u>	<u>30,563</u>	<u>37,819</u>	<u>222,338</u>
Net book value				
At 31 August 2016	<u>2,645,324</u>	<u>11,029</u>	<u>18,008</u>	<u>2,674,361</u>
At 31 August 2015	<u>2,660,536</u>	<u>21,428</u>	<u>32,366</u>	<u>2,714,330</u>

The long-term leasehold property was included on conversion on the basis of the valuation commissioned by the EFA. This includes land on a 125 year lease from Lincolnshire County Council and the land and buildings owned by The Lincoln Diocesan Trust and Board of Finance Limited, occupied under a supplemental agreement. Included in long-term leasehold property is land valued at £434,000 which is not depreciated. The property additions relate to a new games space.

13. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 September 2015	13,047
Revaluations	347
At 31 August 2016	<u>13,394</u>
Investments at market value comprise:	
	2016 £
Listed investments	13,394
	2015 £
	13,047

All the fixed asset investments are held in the UK

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**NOTES TO THE FINANCIAL STATEMENTS
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13. FIXED ASSET INVESTMENTS (continued)

Material investments

The above investment, which relates to Miss Boosey Legacy Fund, comprises the CBF Church of England Investment Fund - Income Shares.

Material restrictions

The above investment is not restricted but has been designated by the Governors to provide an income which is applied towards general school funds. The capital is not intended to be liquidated or spent and thus is accounted for as a fixed asset investment.

14. DEBTORS

	2016	2015
	£	£
Trade debtors	9,669	427
Other debtors	12,503	20,595
Prepayments and accrued income	18,389	25,591
	40,561	46,613
	40,561	46,613

15. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	-	48,620
Other taxation and social security	14,965	12,298
Accruals and deferred income	50,216	45,069
	65,181	105,987
	65,181	105,987

	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	34,293	32,599
Resources deferred during the year	36,547	34,293
Amounts released from previous years	(34,293)	(32,599)
	36,547	34,293
	36,547	34,293

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income relating to the 2016/17 academic year.

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16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Miss Boosey Legacy Fund	13,047	-	-	-	347	13,394
General funds						
Other income	168,025	63,662	(43,427)	-	-	188,260
Total Unrestricted funds	181,072	63,662	(43,427)	-	347	201,654
Restricted funds						
General Annual Grant (GAG)	156,658	1,110,087	(1,116,474)	(8,635)	-	141,636
Other DfE/EFA grants	49,547	121,376	(116,327)	-	-	54,596
Other Government grants	13,215	10,275	(15,827)	-	-	7,663
Other activities	-	2,500	(2,500)	-	-	-
Pension reserve	(308,000)	-	(26,000)	-	(186,000)	(520,000)
	(88,580)	1,244,238	(1,277,128)	(8,635)	(186,000)	(316,105)
Restricted fixed asset funds						
Other capital grants	163,479	27,000	(4,085)	-	-	186,394
Capital expenditure from GAG	78,964	-	(28,329)	8,635	-	59,270
Transfer from former school	2,471,887	-	(43,190)	-	-	2,428,697
	2,714,330	27,000	(75,604)	8,635	-	2,674,361
Total restricted funds	2,625,750	1,271,238	(1,352,732)	-	(186,000)	2,358,256
Total of funds	2,806,822	1,334,900	(1,396,159)	-	(185,653)	2,559,910

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

The Miss Boosey Legacy Fund originated from the late Miss Boosey, the first ever Head Teacher of the school. The capital from this legacy has been invested and designated by the trustees to provide income which is to be applied for the educational benefit of the pupils of the school.

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

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16. STATEMENT OF FUNDS (continued)

Other DfE/EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education of pupils from a disadvantaged background.

Other Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupil's education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classes as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of Academy closure, outstanding local government pension liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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 2016.

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	2,674,361	2,674,361	2,714,330
Fixed asset investments	13,394	-	-	13,394	13,047
Current assets	188,260	269,076	-	457,336	493,432
Creditors due within one year	-	(65,181)	-	(65,181)	(105,987)
Provisions for liabilities and charges	-	(520,000)	-	(520,000)	(308,000)
	<u>201,654</u>	<u>(316,105)</u>	<u>2,674,361</u>	<u>2,559,910</u>	<u>2,806,822</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(60,912)	109,879
Adjustment for:		
Depreciation charges	75,604	66,813
Dividends, interest and rents from investments	(1,175)	(986)
Decrease in debtors	6,052	5,935
Decrease in creditors	(40,806)	(20,176)
Capital grants from DfE and other capital income	(27,000)	(67,200)
Defined benefit pension scheme cost less contributions payable	14,000	18,000
Defined benefit pension scheme finance cost	12,000	4,000
Net cash (used in)/provided by operating activities	<u>(22,237)</u>	<u>116,265</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	416,775	446,819
Total	<u>416,775</u>	<u>446,819</u>

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20. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	-	32,093

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 Lincolnshire 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 2013.

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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21. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £79,519 (2015 - £63,331).

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 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 2016 was £63,000 (2015 - £73,000), of which employer's contributions totalled £49,000 (2015 - £57,000) and employees' contributions totalled £14,000 (2015 - £16,000). The agreed contribution rates for future years are 20.9% 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.
Lincolnshire Pension Fund

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.00 %	<i>3.70 %</i>
Rate of increase in salaries	3.60 %	<i>4.00 %</i>
Rate of increase for pensions in payment / inflation	2.10 %	<i>2.60 %</i>
Commutation of pensions to lump sums	63.00 %	<i>63.00 %</i>

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21. PENSION COMMITMENTS (continued)

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

	2016	<i>2015</i>
Retiring today		
Males	22.2	<i>22.2</i>
Females	24.4	<i>24.4</i>
Retiring in 20 years		
Males	24.5	<i>24.5</i>
Females	26.8	<i>26.8</i>

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows:

- 0.5% decrease in discount rate - approximate 12% increase to employer liability, approximately £121,000;
- 1 year increase in life expectancy - approximate 3% increase to employer liability, approximately £29,000;
- 0.5% increase in salary increase rate - approximate 4% increase to employer liability, approximately £41,000;
- 0.5% increase in pension increase rate - approximate 8% increase to employer liability, approximately £76,000.

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	351,000	<i>246,000</i>
Debt instruments	59,000	<i>43,000</i>
Property	46,000	<i>39,000</i>
Total market value of assets	456,000	<i>328,000</i>

The actual return on scheme assets was £13,000 (2015 - £7,000).

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

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(63,000)	<i>(75,000)</i>
Net interest cost	(12,000)	<i>(4,000)</i>
Total	(75,000)	<i>(79,000)</i>

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	636,000	524,000
Current service cost	63,000	75,000
Interest cost	25,000	21,000
Contributions by employees	14,000	16,000
Actuarial losses	243,000	6,000
Benefits paid	(5,000)	(6,000)
	<u>976,000</u>	<u>636,000</u>
Closing defined benefit obligation	<u>976,000</u>	<u>636,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	328,000	254,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	6,000
Interest income	13,000	11,000
Actuarial gains and (losses)	57,000	(10,000)
Contributions by employer	49,000	57,000
Contributions by employees	14,000	16,000
Benefits paid	(5,000)	(6,000)
	<u>456,000</u>	<u>328,000</u>
Closing fair value of scheme assets	<u>456,000</u>	<u>328,000</u>

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	4,120	4,120
Between 1 and 5 years	9,270	13,390
	<u>13,390</u>	<u>17,510</u>
Total	<u>13,390</u>	<u>17,510</u>

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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 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.

Trustees remuneration is detailed in Note 10.

No transactions with related parties took place during the period of account.

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.

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.