
BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

R Jones (resigned 7 February 2017)
N Lindley
A Higgs (resigned 21 March 2017)
M Green
C Pattison (appointed 3 October 2017)

Trustees

M Green, Chair of Trustees
M Rainbow, Vice Chair of Trustees
E Radley, Head Teacher and Accounting Officer
B Harrison (resigned 1 September 2016)
R Immink
P Smith
S Jackson
C Everist (resigned 15 December 2016)
J Freear
I Fuller (resigned 1 September 2016)
G Goodwin, Staff Trustee
S Medina, Staff Trustee
R Mosley (appointed 6 December 2016)
M Preston (appointed 7 February 2017)
J Harrison (appointed 7 February 2017)
R Jones (resigned 7 February 2017)
A Higgs (resigned 21 March 2017)

Company registered number

07788995

Company name

Bourne Westfield Primary Academy

Principal and registered office

Westbourne Park, Bourne, Lincs, PE10 9QS

Company secretary

A Smith

Accounting officer

E Radley

Senior management team

E Radley, Head Teacher
K Atkinson, Senior Deputy Head Teacher
N Chandler, Deputy Head Teacher (retired 30 April 2017)
S Taylor, Chief Financial Officer

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditors

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

Bankers

Lloyds Bank Plc, Business Centre, PO Box 1000, Spalding

Solicitors

Greenwoods, Monkstone House, City Road, Peterborough, PE1 1JE

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Bourne, Lincolnshire including a nursery for 3 and 4 year olds. It has a pupil capacity of 630 (plus 52 nursery places) and had a roll of 656 (including 29 nursery) in the school census on 6 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 trustees of Bourne Westfield Primary Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bourne Westfield Primary Academy.

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

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the academy has purchased insurance to protect the Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Articles outline the different types of Trustees/Governors; each category has slightly different election processes, as outlined below:

- The term of office for any Governor shall be four years, save that this time limit shall not apply to the Principal or any post which is held ex officio. Subject to the remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.
- The Governing Body may appoint up to six Governors.
- A minimum of two Parent Governors shall be elected by parents of registered pupils of the academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The term of office of a Parent Governor should end when they complete their term of office.
- Up to three Staff Governors shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Principal). If a Staff Governor ceases to work at the academy then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy. Any election of a Staff Governor which is contested shall be held by secret ballot.
- The Governors may appoint up to three Co-opted Governors. A 'Co-Opted Governor' means a person

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

who is appointed to be a Governor by being co-opted by the Governors who have not themselves been so appointed.

Governors are subject to retirement or re-election at the end of their four year term of office unless the eligibility conditions listed above prevail.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided to new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Members and Trustees are given a tour of the academy and the chance to meet with staff and pupils.

The 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 few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

ORGANISATIONAL STRUCTURE

The structure of the academy consists of three senior levels: the Members, the Board of Trustees (Governing Body) and the Head Teacher leading the Senior Leadership Team which includes a Senior Deputy Head Teacher, a Deputy Head Teacher, and the Chief Financial Officer

An aim of this management structure is to distribute responsibility and accountability and to encourage the involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the academy's policies, adopting the School Improvement Plan and budget, monitoring performance against those plans and making major decisions about the direction of the academy including its curriculum, the achievement and welfare of pupils and staffing.

The Head Teacher and Senior Leadership Team control the academy at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

The Senior Leadership Team lead two Assistant Head Teachers and is responsible for day to day performance and practice.

The Board of Trustees has established two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Head Teacher (the Accounting Officer) and to the Senior Leadership Team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Trustees annually. The academy has approved Finance policies and procedures which detail the academy's authorised spending limits.

The sub-committees of the Governing Body are:

- Finance & Assets Committee
- Performance and Improvement Committee

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

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The structure and pay ranges for the Senior Leadership Team are set by the Full Governing Body at the time of appointment. The pay ranges cover a five point scale with the Head Teacher's salary established against the ISR. The ISR is recalculated annually by the Pay and Remuneration Committee. Any variations beyond this (for any members of the Senior Leadership Team) are made by the Full Governing Body following the recommendation by the Pay and Remuneration Committee. Recommendations for pay increases or salary regarding are made by the Head Teacher to the Pay and Remuneration Committee, following performance management, where a final decision will be made on whether to award the pay increase.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The school is connected to two other charities:

- Slippers Extended Provision (charity number: 1149399)
Slippers charity provided wraparound and holiday care until 31 March 2017 after which the aims of the charity changed to fundraising for the extended provision. On 1 April 2017 the school took on the activity of wraparound and holiday care.
- The Friends of Westfield (PFTA) (charity number: 1048383)

During the year the Academy engaged in transactions with the above as follows:

- Donations received from the PFTA
- Rental charged to Slippers for accommodation costs (until 31 March 2017)
- Incidental administrative costs charged to Slippers (until 31 March 2017)

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The principal object and activity of the charitable company is the operation of Bourne Westfield Primary Academy to provide education for pupils of different abilities between the ages of three and eleven with emphasis on particular specialisms.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of the Government specifies, amongst other things, the basis for admitting students to the academy, and that the curriculum should comply with the substance of the national curriculum.

OBJECTIVES, STRATEGIES AND ACTIVITIES

OBJECTIVES

The main objectives of the academy during the year ended 31 August 2017 are summarised below:

- Improve quality of writing generally and for higher attainers
- Develop guided reading to improve inference and deduction skills
- Embed Mastery approach in Maths in order to improve progress for FSM and SEN
- To achieve Arts Mark platinum status
- To utilise current research to deploy Teaching Assistants effectively

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

STRATEGIES AND ACTIVITIES

The main strategies and activities in the year included:

- Continue to build the use of visits and visitors to inspire learning
- Embed the IPEEL EEF Research Project to improve writing
- Introduce a new approach to teaching reading inference
- Embed the use of Inspire Maths in years 1 and 2 and the mastery approach across KS2
- To run termly staff training on areas of the arts
- To develop links with a school from different cultural backgrounds

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The academy's public benefit is enshrined in its charitable objects, which are:

- To advance for the public benefit education in the town of Bourne and the surrounding area, in particular, but without prejudice, to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to, either one or a combination of specialisms. The current specialisms of the Academy are music, sport and the arts.
- To provide 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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

OUTCOMES

The school took on the ownership and management of the on-site nursery from September 2016. A successful capital funding bid was secured to extend the nursery building to accommodate additional 30 hours government funded places and double the size of the provision.

From 1 April 2017 the school took on the running of the Slippers wraparound care and holiday club. With the planned physical expansion of the nursery, the Slippers charity will be making a capital donation to the school to further extend the new nursery build to provide a purpose build new area for Slippers children.

The academy successfully built a new classroom to be used for music provision and replaced hall windows and roofing as part of two successful CIF bids.

The academy successfully trained 23 ITT trainees throughout the year of which 17 have gained local employment. In addition 20 ITT trainees were recruited by the academy and are currently deployed across South Lincolnshire schools.

The Trustees are very proud of the achievements and recognise the tremendous hard work and commitment put in by the Head Teacher, Senior Leadership Team, all teaching and support staff over the last year.

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TRUSTEES' REPORT (continued)
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ACADEMIC ACHIEVEMENTS AND PERFORMANCE

Pupils entered Westfield below National Expectations. Outstanding teaching and high quality provision ensured that more pupils met the expected level of development by the time they entered year one than seen nationally.

At the end of year one 87% of pupils attained the level necessary to pass the phonics screening check compared to a national average of 81%. Over years 1 and 2 97% of pupils attain the required phonics level compared to 92% nationally.

Results in tests at the end of year 2 and year 6 were above National averages in all areas.

OTHER CURRICULUM ACHIEVEMENTS AND PERFORMANCE

Major achievements included:

- Sporting success in indoor athletics, hockey, tennis and football
- Visits from the adventurer Sarah Outen and Ecologist Mike Dilger
- New classroom built and used to deliver the music provision
- Arts success by achieving the Creative Learning Award at the Mighty Creatives Gala and a highly commended award from the Willoughby Memorial Trust
- Choir performance at Skegness Proms
- Art exhibition in Bourne Town Hall as part of a collaboration with other local schools

KEY PERFORMANCE INDICATORS

- EYFS outcomes; Year One Phonic Check outcomes; end of Key Stage One outcomes; end of Key Stage Two outcomes, Ofsted outcomes, pupil premium statement outcomes
- Staff costs as a percentage of income and a percentage of expenditure
- Sporting achievements
- Musical achievements
- Financial returns and grants obtained

GOING CONCERN

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

FINANCIAL REVIEW

Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure of £2,625,766 was less than recurrent restricted grant funding from the ESFA together with other restricted incoming resources. The excess of income over expenditure for the period was £123,068.

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 £223,690 of GAG carried forward. Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2017 this was 88.4% and this will be monitored in future periods.

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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 £780,000.

RESERVES POLICY

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources that the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The trustees review the reserves levels of the academy annually. The review encompasses the nature of the income and expenditure streams. The trustees have determined that the appropriate level of free reserves should be equivalent to two percent of the annual grant funding, which is approximately £45,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves is £184,680.

At 31 August 2017, free reserves held amount to £184,680 and restricted general funds amount to £303,908.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £4,722,774.

The pension fund is in deficit by £780,000.

Total funds at 31 August 2017 amount to £4,431,362, and the balance on restricted general funds plus unrestricted general funds at 31 August 2017 results in a net surplus of £488,588.

INVESTMENT POLICY

The academy aims to manage its cash balances for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The academy has a comprehensive Risk Register, which is used in conjunction with regular financial reporting to monitor the operational and financial performance of the academy. Based on the strategic plan, the governing body undertakes a comprehensive review of the risks to which the academy is exposed. The governing body identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

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 governing body will 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.

An Internal Auditor performs thorough testing of the financial and compliance systems and reports back to the governing body with recommendations.

A Risk Register, covering low, medium, and high level risks, is maintained at academy level. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the

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TRUSTEES' REPORT (continued)
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actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The academy's approach to risk management is supported by a risk management training programme which raised awareness of risk throughout the academy. In addition the Senior Leadership Team incorporate risk management in their self-assessment reports and quality improvement plans.

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed may also adversely affect the academy:

Funding Levels: The unfunded increases to salaries and pension contributions, alongside changes to National Insurance and increased inflation, exposes the school to a higher risk of having a deficit budget and needing to make redundancies on the current funding levels.

Government Funding – The Academy is fundamentally reliant on continued government funding through the Education Funding Agency (EFSA) and the Local Authority. The risk has and will be mitigated in a number of ways:

- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- Ensuring that the academy is focused on those priority sectors which will continue to benefit from public funding
- Contingency planning embedded into the academy budget process

The Local Government Pension Scheme (LGPS) deficit presents a financial risk and a pension reserve has been created within the statutory accounts. At the end of August 2017 the scheme deficit had decreased from £901,000 to £780,000. The financial statements report the share of the LGPS deficit on the academy's balance sheet in line with the requirements of FRS17. The academy takes professional advice on this position, including guidance from Lincolnshire County Council and makes appropriate contributions on the basis of that advice to ensure that the deficit does not become unmanageable.

PLANS FOR FUTURE PERIODS

The academy intends to continue achieving its aims and objectives through the aforementioned activities. In addition the academy will develop its newly opened nursery, wraparound care and teaching school activities.

FUNDS HELD CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any such funds.

AUDITOR

Insofar as the trustees are aware:

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

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

M Green
Chair of Trustees

BOURNE WESTFIELD PRIMARY ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Bourne Westfield Primary Academy 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 Head Teacher, 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 Bourne Westfield Primary Academy 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 5 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
M Green, Chair of Trustees	5	5
M Rainbow, Vice Chair of Trustees	4	5
E Radley, Head Teacher and Accounting Officer	5	5
B Harrison	0	0
R Immink	4	5
P Smith	4	5
S Jackson	3	5
C Everist	1	2
J Freear	3	5
I Fuller	0	0
G Goodwin, Staff Trustee	5	5
S Medina, Staff Trustee	5	5
R Mosley	2	3
M Preston	3	3
J Harrison	2	2
R Jones	0	3
A Higgs	1	3

There were a number of changes to the Governing Body throughout the year. Mrs B Harrison and Mr I Fuller resigned on 1 September 2016. Mrs C Everist resigned on 15 December 2016, Mr R Jones resigned on 7 February 2017 and Mrs A Higgs resigned on 21 March 2017. Mr R Mosley was appointed on 6 December 2017, Mrs M Preston was appointed on 7 February 2017 and Mrs J Harrison was appointed on 10 February 2017. The trustees would like to thank all the retiring governors for their support to the academy, their dedication and enthusiasm that has had such a positive impact over the years they have served.

The Governing Body routinely evaluates and refines its practice. It currently evaluates itself as good or outstanding in every area of its work. Over the last academic year there has been a turnover of some of the key trustees and members. This has required a refocusing on roles and responsibilities and the recruitment of three new trustees and a new member. The Governing Body has been successful in recruiting governors with some of the key desired skills. The Governing Body receives numerous data reports that reflect the full range of available data sets. These include school versus national attainment and progress data produced by Raise on-line (next year ASP), FFT data, Ofsted data, attendance data and a full range of financial reports. The data that the Governing Body considers allows it to fully evaluate the school's effectiveness and ensure it is providing good value for money.

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GOVERNANCE STATEMENT (continued)

The Finance and Asset Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finance and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.
- Review and monitor procedures for Health & Safety.
- Responsible for internal audit.
- Major issues will be referred to the full Governing Body for ratification, these included:
 - o Funding and budgetary constraints
 - o Integration of Slippers
 - o Management of CIF building grant
 - o Unfunded salary increases.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Rainbow	3	5
R Immink	4	6
J Freear	5	6
E Radley	6	6
G Goodwin	5	6

The Performance and Improvement Committee is also a sub-committee of the main board of trustees. Its purpose is to:

- Monitor and challenge the academic performance of the academy;
- Review and monitor procedures for safeguarding.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
E Radley	5	6
G Goodwin	6	6
P Smith	5	6
C Everist	2	2
S Jackson	6	6
S Medina	3	6
M Rainbow	4	6
R Mosley	2	4
M Preston	3	3
J Harrison	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher 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:

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GOVERNANCE STATEMENT (continued)

Improving Educational Results

- The impact of an extensive CPD programme for all staff has resulted in attainment and progress in mathematics, writing and reading showing improvement on previous years in both KS1 and KS2 so that the percentage above the national expectation is higher in all subjects than nationally.
- The continuation of a strong phonics programme and associated staff training has resulted in phonics remaining as a strength.
- The academy introduced "Find Your Voice" LAMDA awards to promote speaking for pupils in receipt of FSM. 100% of these pupils passed their LAMDA examinations, 98% passing at merit or distinction.
- The academy supported a number of other schools to improve the quality of teaching and learning.
- The careful spend of the PE sports premium funding has resulted in a high level of sporting success and increased participation particularly for the female pupils.

Financial Governance and Oversight

- Produce business plans and three year financial plans to ensure that governors have a clear overview of the future projected financial health of the academy so that they can make informed strategic decisions about future expenditure and strategic direction.
- Confirm that purchasing protocols are followed to ensure that best value processes are achieved.
- Perform a comprehensive Internal Audit review and acted upon the recommendations.

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 Bourne Westfield Primary Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

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 Asset 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;

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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 to appoint Julia Raftery Consulting Limited 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. In particular the checks carried out in the current period included:

- governance arrangements;
- cash management and banking arrangements;
- purchase procedures and tendering arrangements;
- payroll procedures.

On a semi-annual basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Internal Auditor has completed their schedule of work as planned and presented their latest report in September 2017 where no material control issues were noted. Remedial actions on the other areas noted are already adopted or underway.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 internal auditor 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 2017 and signed on their behalf, by:

M Green
Chair of Trustees

E Radley
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

E Radley
Accounting Officer

Date: 5 December 2017

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 5 December 2017 and signed on its behalf by:

M Green
Chair of Trustees

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BOURNE WESTFIELD PRIMARY ACADEMY**

OPINION

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included

BOURNE WESTFIELD PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BOURNE WESTFIELD PRIMARY ACADEMY**

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BOURNE WESTFIELD PRIMARY ACADEMY**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR
14 December 2017

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BOURNE WESTFIELD PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourne Westfield Primary Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF BOURNE WESTFIELD PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The Accounting Officer is responsible, under the requirements of Bourne Westfield Primary Academy's funding agreement with the Secretary of State for Education dated 23 September 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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.

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BOURNE
WESTFIELD PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

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

14 December 2017

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	1,517	18,946	389,354	409,817	16,307
Charitable activities	3	131,211	2,277,918	-	2,409,129	2,431,031
Other trading	4	67,345	63,587	-	130,932	24,711
Teaching school		-	388,383	-	388,383	201,148
Investments	5	1,182	-	-	1,182	1,350
TOTAL INCOME		201,255	2,748,834	389,354	3,339,443	2,674,547
EXPENDITURE ON:						
Charitable activities		215,835	2,413,134	111,601	2,740,570	2,463,024
Teaching school		-	319,632	-	319,632	192,591
TOTAL EXPENDITURE	6	215,835	2,732,766	111,601	3,060,202	2,655,615
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	(14,580)	16,068 (68,331)	277,753 68,331	279,241 -	18,932 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	228,000	-	228,000	(360,000)
NET MOVEMENT IN FUNDS		(14,580)	175,737	346,084	507,241	(341,068)
RECONCILIATION OF FUNDS:						
Total funds brought forward		199,260	(651,829)	4,376,690	3,924,121	4,265,189
TOTAL FUNDS CARRIED FORWARD		184,680	(476,092)	4,722,774	4,431,362	3,924,121

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07788995

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		4,709,754		4,376,690
CURRENT ASSETS					
Stocks	13	9,275		14,028	
Debtors	14	166,199		46,462	
Cash at bank and in hand		555,927		891,800	
			<u>731,401</u>		<u>952,290</u>
CREDITORS: amounts falling due within one year	15	(229,793)		(503,859)	
NET CURRENT ASSETS			<u>501,608</u>		<u>448,431</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,211,362</u>		<u>4,825,121</u>
Defined benefit pension scheme liability	21		(780,000)		(901,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>4,431,362</u>		<u>3,924,121</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	303,908		249,171	
Restricted fixed asset funds	16	4,722,774		4,376,690	
Restricted income funds excluding pension liability		5,026,682		4,625,861	
Pension reserve		(780,000)		(901,000)	
Total restricted income funds			<u>4,246,682</u>		<u>3,724,861</u>
Unrestricted income funds	16		184,680		199,260
TOTAL FUNDS			<u>4,431,362</u>		<u>3,924,121</u>

The financial statements on pages 21 to 46 were approved by the trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:

M Green
Chair of Trustees

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(281,744)</u>	<u>435,458</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,182	1,350
Purchase of tangible fixed assets		(444,665)	(91,644)
Capital grants from DfE/ESFA		389,354	-
Net cash used in investing activities		<u>(54,129)</u>	<u>(90,294)</u>
Change in cash and cash equivalents in the year		(335,873)	345,164
Cash and cash equivalents brought forward		<u>891,800</u>	<u>546,636</u>
Cash and cash equivalents carried forward		<u><u>555,927</u></u>	<u><u>891,800</u></u>

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Bourne Westfield Primary Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 receipt is probable and it is measurable.

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

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.

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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.

1.5 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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 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.

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:

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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:

Freehold property	-	5% on cost and 2% on cost
Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost

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.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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. .

1.13 Taxation

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

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local 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.

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.15 Fund accounting

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

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

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

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgment:

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 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	1,517	18,946	-	20,463	16,307
Capital grants	-	-	389,354	389,354	-
<i>Total 2016</i>	2,234	14,073	-	16,307	

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,975,406	1,975,406	2,023,016
Other DfE/ESFA grants	-	239,780	239,780	247,727
	-	2,215,186	2,215,186	2,270,743
Other government grants				
Local authority grants	-	56,899	56,899	33,389
	-	56,899	56,899	33,389
Other funding				
Catering income	60,560	-	60,560	61,011
School fund income	61,891	3,476	65,367	56,937
Other income	8,760	2,357	11,117	8,951
	131,211	5,833	137,044	126,899
	131,211	2,277,918	2,409,129	2,431,031
<i>Total 2016</i>	121,675	2,309,356	2,431,031	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	2,970	-	2,970	5,435
Sale of goods	19,389	-	19,389	14,597
Nursery and after school club	44,986	63,587	108,573	-
Other income	-	-	-	4,679
	67,345	63,587	130,932	24,711
<i>Total 2016</i>	24,711	-	24,711	

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

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank account interest	1,182	-	1,182	1,350
<i>Total 2016</i>	1,350	-	1,350	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	1,835,316	-	85,910	1,921,226	1,785,362
Support costs	432,070	118,490	268,784	819,344	677,662
	2,267,386	118,490	354,694	2,740,570	2,463,024
<i>Total 2016</i>	1,930,399	111,700	420,925	2,463,024	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	1,921,226	819,344	2,740,570	2,463,024
<i>Total 2016</i>	1,785,362	677,662	2,463,024	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational Operations	Total 2017	<i>Total 2016</i>
	£	£	£
Staff costs	432,070	432,070	304,805
Technology costs	54,380	54,380	49,262
Premises costs	118,490	118,490	111,700
Other support costs	200,663	200,663	186,243
Governance costs	13,741	13,741	25,652
	<u>819,344</u>	<u>819,344</u>	<u>677,662</u>
<i>At 31 August 2016</i>	<u>677,662</u>	<u>677,662</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	<i>2016</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy	111,601	104,259
Auditors' remuneration - audit	5,125	5,125
Auditors' remuneration - non-audit	1,025	525
Operating lease rentals	1,676	3,348
	<u>119,427</u>	<u>113,257</u>

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

9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,730,345	1,534,696
Social security costs	144,453	111,273
Operating costs of defined benefit pension schemes	373,422	283,035
	2,248,220	1,929,004
Supply teacher costs	19,166	1,395
	2,267,386	1,930,399

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

	2017	2016
	No.	No.
Teachers	48	44
Admin and support	131	113
Management	1	1
	180	158

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	32	30
Admin and support	32	25
Management	1	1
	65	56

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

	2017	2016
	No.	No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the staff 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 £311,392 (2016 - £308,786).

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FOR THE YEAR ENDED 31 AUGUST 2017

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:

		2017	<i>2016</i>
		£'000	<i>£'000</i>
E Radley, Head Teacher	Remuneration	80-85	<i>80-85</i>
	Pension contributions paid	10-15	<i>10-15</i>
S Medina	Remuneration	20-25	<i>5-10</i>
	Pension contributions paid	0-5	<i>0-5</i>
G Goodwin	Remuneration	40-45	<i>35-40</i>
	Pension contributions paid	5-10	<i>5-10</i>
R Green	Remuneration	nil	<i>0-5</i>
	Pension contributions paid	nil	<i>0-5</i>

During the year ended 31 August 2017, expenses totalling £512 (2016 - £437) were reimbursed to 2 trustees (2016 - 5).

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £79 (2016 - £143).

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FOR THE YEAR ENDED 31 AUGUST 2017

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	4,695,395	45,436	67,770	4,808,601
Additions	417,943	80	26,642	444,665
At 31 August 2017	<u>5,113,338</u>	<u>45,516</u>	<u>94,412</u>	<u>5,253,266</u>
Depreciation				
At 1 September 2016	361,252	29,929	40,730	431,911
Charge for the year	86,153	8,315	17,133	111,601
At 31 August 2017	<u>447,405</u>	<u>38,244</u>	<u>57,863</u>	<u>543,512</u>
Net book value				
At 31 August 2017	<u>4,665,933</u>	<u>7,272</u>	<u>36,549</u>	<u>4,709,754</u>
At 31 August 2016	<u>4,334,143</u>	<u>15,507</u>	<u>27,040</u>	<u>4,376,690</u>

The Academy's freehold property additions during the year relate to a new music room and replacement roof and windows.

13. STOCKS

	2017 £	2016 £
Uniform and stationery stocks	<u>9,275</u>	<u>14,028</u>

14. DEBTORS

	2017 £	2016 £
Trade debtors	80,070	450
Other debtors	37,852	16,700
Prepayments and accrued income	48,277	29,312
	<u>166,199</u>	<u>46,462</u>

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

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	7,889	57,722
Other taxation and social security	34,075	31,756
Other creditors	130,972	35,229
Accruals and deferred income	56,857	379,152
	229,793	503,859
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	351,873	69,502
Resources deferred during the year	21,837	351,873
Amounts released from previous years	(351,873)	(69,502)
Deferred income at 31 August 2017	21,837	351,873

Deferred income relates to catering income, Erasmus maths project income and teaching school support income relating to projects in the 2017/18 academic year.

16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	199,260	201,255	(215,835)	-	-	184,680
	199,260	201,255	(215,835)	-	-	184,680
Restricted funds						
General Annual Grant (GAG)	237,290	1,975,406	(1,930,675)	(58,331)	-	223,690
Other DfE/ESFA grants	-	239,780	(239,780)	-	-	-
Other government grants	-	56,899	(56,899)	-	-	-
Teaching school	10,322	388,383	(319,632)	-	-	79,073
Other income	1,559	88,366	(78,780)	(10,000)	-	1,145
Pension reserve	(901,000)	-	(107,000)	-	228,000	(780,000)
	(651,829)	2,748,834	(2,732,766)	(68,331)	228,000	(476,092)

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	265,524	389,354	(9,148)	-	-	645,730
Capital expenditure from GAG	231,347	-	(34,942)	58,331	-	254,736
Capital expenditure for other income	3,879,819	-	(67,511)	10,000	-	3,822,308
	<u>4,376,690</u>	<u>389,354</u>	<u>(111,601)</u>	<u>68,331</u>	<u>-</u>	<u>4,722,774</u>
Total restricted funds	<u>3,724,861</u>	<u>3,138,188</u>	<u>(2,844,367)</u>	<u>-</u>	<u>228,000</u>	<u>4,246,682</u>
Total of funds	<u><u>3,924,121</u></u>	<u><u>3,339,443</u></u>	<u><u>(3,060,202)</u></u>	<u><u>-</u></u>	<u><u>228,000</u></u>	<u><u>4,431,362</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
Unrestricted funds	172,867	149,970	(123,577)	-	-	199,260
	<u>172,867</u>	<u>149,970</u>	<u>(123,577)</u>	<u>-</u>	<u>-</u>	<u>199,260</u>
Restricted funds						
General Annual Grant (GAG)	200,452	2,023,016	(1,902,334)	(83,844)	-	237,290
Other DfE/ESFA grants	-	247,727	(247,727)	-	-	-
Other government grants	-	33,389	(33,389)	-	-	-
Teaching school	1,765	201,148	(192,591)	-	-	10,322
Other income	-	19,297	(8,738)	(9,000)	-	1,559
Pension reserve	(498,000)	-	(43,000)	-	(360,000)	(901,000)
	<u>(295,783)</u>	<u>2,524,577</u>	<u>(2,427,779)</u>	<u>(92,844)</u>	<u>(360,000)</u>	<u>(651,829)</u>

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

16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	272,861	-	(7,337)	-	-	265,524
Capital expenditure from GAG	177,058	-	(29,555)	83,844	-	231,347
Capital expenditure for other income	3,938,186	-	(67,367)	9,000	-	3,879,819
	<u>4,388,105</u>	<u>-</u>	<u>(104,259)</u>	<u>92,844</u>	<u>-</u>	<u>4,376,690</u>
Total restricted funds	<u>4,092,322</u>	<u>2,524,577</u>	<u>(2,532,038)</u>	<u>-</u>	<u>(360,000)</u>	<u>3,724,861</u>
Total of funds	<u><u>4,265,189</u></u>	<u><u>2,674,547</u></u>	<u><u>(2,655,615)</u></u>	<u><u>-</u></u>	<u><u>(360,000)</u></u>	<u><u>3,924,121</u></u>

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

ESFA capital grants represents funding from central government for specific capital projects.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Capital expenditure from other income represents other funding sources transferred from other restricted and unrestricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Transfers between funds represent capital expenditure made from recurrent income.

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

16. STATEMENT OF FUNDS (continued)

Summary of funds

The balance of restricted and unrestricted general funds at 31 August 2017 was £488,588.

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,709,754	4,709,754
Current assets	184,680	533,701	13,020	731,401
Creditors due within one year	-	(229,793)	-	(229,793)
Provisions for liabilities and charges	-	(780,000)	-	(780,000)
	184,680	(476,092)	4,722,774	4,431,362
	184,680	(476,092)	4,722,774	4,431,362

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i> 2016 £	<i>Restricted funds</i> 2016 £	<i>Restricted fixed asset funds</i> 2016 £	<i>Total funds</i> 2016 £
Tangible fixed assets	-	-	4,376,690	4,376,690
Current assets	199,260	753,030	-	952,290
Creditors due within one year	-	(503,859)	-	(503,859)
Provisions for liabilities and charges	-	(901,000)	-	(901,000)
	199,260	(651,829)	4,376,690	3,924,121
	199,260	(651,829)	4,376,690	3,924,121

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	279,241	18,932
Adjustment for:		
Depreciation charges	111,601	104,259
Dividends, interest and rents from investments	(1,182)	(1,350)
Decrease in stocks	4,753	447
Increase in debtors	(119,737)	(7,356)
(Decrease)/increase in creditors	(274,066)	277,526
Capital grants from DfE and other capital income	(389,354)	-
Defined benefit pension scheme cost less contributions payable	87,000	24,000
Defined benefit pension scheme finance cost	20,000	19,000
Net cash (used in)/provided by operating activities	(281,744)	435,458

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	555,927	891,800
Total	555,927	891,800

20. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at the 31 August 2017.

In the event of Bourne Westfield Primary Academy ceasing to operate as an academy provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

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 2016.

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £185,605 (2016 - £177,406).

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.

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £122,000 (2016 - £104,000), of which employer's contributions totalled £101,000 (2016 - £82,000) and employees' contributions totalled £21,000 (2016 - £22,000). The agreed contribution rates for future years are 19.5% for employers and various % 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:

	2017	<i>2016</i>
Discount rate for scheme liabilities	2.50 %	<i>2.10 %</i>
Rate of increase in salaries	2.80 %	<i>3.60 %</i>
Rate of increase for pensions in payment / inflation	2.40 %	<i>2.10 %</i>
Commutation of pensions to lump sums	75.00 %	<i>63.00 %</i>

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

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

	At 31 August	<i>At 31 August</i>
Sensitivity analysis	2017	<i>2016</i>
	£	<i>£</i>
Discount rate +0.1%	55,000	<i>52,000</i>
Mortality assumption - 1 year increase	63,000	<i>55,000</i>

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	1,030,000	721,000
Gilts	-	-
Corporate bonds	159,000	122,000
Property	119,000	93,000
Cash and other liquid assets	13,000	-
	<u>1,321,000</u>	<u>936,000</u>
Total market value of assets	<u>1,321,000</u>	<u>936,000</u>

The actual return on scheme assets was £255,000 (2016 - £119,000).

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

	2017 £	<i>2016 £</i>
Current service cost	(188,000)	(106,000)
Interest income	21,000	28,000
Interest cost	(41,000)	(47,000)
	<u>(208,000)</u>	<u>(125,000)</u>
Total	<u>(208,000)</u>	<u>(125,000)</u>
Actual return on scheme assets	<u>255,000</u>	<u>119,000</u>

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	1,837,000	1,188,000
Current service cost	188,000	106,000
Interest cost	41,000	47,000
Employee contributions	28,000	22,000
Actuarial losses	27,000	479,000
Benefits paid	(20,000)	(5,000)
	<u>2,101,000</u>	<u>1,837,000</u>
Closing defined benefit obligation	<u>2,101,000</u>	<u>1,837,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	936,000	690,000
Interest income	21,000	28,000
Actuarial losses	255,000	119,000
Employer contributions	101,000	82,000
Employee contributions	28,000	22,000
Benefits paid	(20,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,321,000</u>	<u>936,000</u>

22. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	1,493	1,676
Between 1 and 5 years	2,184	3,677
	<hr/>	<hr/>
Total	<u>3,677</u>	<u>5,353</u>

23. 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.

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

24. RELATED PARTY TRANSACTIONS

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

During the year the Academy purchased goods and services from S J Radley, the spouse of the Head Teacher, amounting to £811 (2016 - £1,907). No amounts were outstanding at the year end.

During the year the Academy received rent income from Slippers Extended Provisions, a charity connected to the Academy. The Academy received total income of £1,913 (2016 - £2,986), of which no amounts were outstanding at the year end.