
BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

N Lindley
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
R Immink
P Smith
S Jackson
J Freear
G Goodwin, Staff Trustee
S Medina, Staff Trustee
R Mosley
M Preston (resigned 25 June 2018)
J Harrison
M Flemming (appointed 11 October 2018)

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
K Finch, Deputy Head Teacher
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 2018**

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 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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 three and four year olds. It has a pupil capacity of 630 (plus 52 nursery places) and had a roll of 656 (including 27 nursery) in the school census in October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The trustees of Bourne Westfield Primary Academy are also the directors of the charitable company for the purpose of company law.

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

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

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

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

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 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 2018

PAY POLICY FOR 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.

TRADE UNION FACILITY TIME

The academy has no employees who were relevant union officials during the year.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATION

The school is connected one charity, The Friends of Westfield (PTFA) (charity number 1048383) and during the year donations of £6,300 were received from the charity.

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 four 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 2018 are summarised below:

- To improve and promote resilience and emotional literacy in all pupils
- To improve the progress of our pupils with special educational needs and disabilities
- To increase the percentage of children at or above age related reading, writing and spelling

Strategies and Activities

The main strategies and activities in the year included:

- Appointing a PHSE lead and delivering a new PHSE programme
- Introducing a new school behaviour policy
- Introducing family learning
- Supporting provision mapping for SEND pupils
- Targeting staff to attend Maths training in Finland
- Delivering Dyslexia Awareness and Autism training for staff
- Reviewing the marking and feedback policy
- Developing medium term planning

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

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.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

Outcomes

A successful capital funding bid (provided by Lincolnshire County Council) and a donation from Slippers charity allowed the Academy to extend the nursery building to accommodate additional 30 hours' government funded places and double the size of the provision. The Slippers out of hours' provision was also able to move into the building and extend the number of places offered.

The Academy successfully trained 17 ITT trainees throughout the year and all 17 have gained local employment.

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.

Academic Achievements and Performance

Attendance rose to 97.1% and so achieved our attendance target and was well above the national average. Persistent absenteeism continued to decrease and continues to remain well under the national average.

74.2% achieved a good level of development at the end of EYFS, and were above the national average of 71.5%.

31.1% achieved greater depth in mathematics at the end of KS1 against a national average of 21.8%. In KS2 28% achieved a greater depth in mathematics against a national average of 21.8%.

Other Curriculum Achievements and Performance

Major achievements included:

- Sporting success in cross-county, hockey, tennis, football, netball, golf, rounders, cricket and bridge.
- Visits from poets Joseph Coelho and Chris Martin
- New nursery built and used to deliver the pre-school provision
- Platinum Arts Mark
- Art exhibition in Bourne Town Hall as part of a collaboration with other local schools

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TRUSTEES' REPORT (continued)
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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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended August 2018, total expenditure of £2,713,442 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 £60,751.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. There is no restriction on the amount of carry forward on the General Annual Grant (GAG). In the period under review there was £227,209 of GAG carried forward. Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2017/18 this was 85% and this will be monitored for future periods.

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the academy balance sheet shows a net liability of £621,000.

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 £42,000. 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.

At 31 August 2018, free reserves held amount to £255,828 and restricted general funds amount to £350,941.

The amount of fund which can only be realized by disposing of tangible fixed assets amount to £4,995,575.

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TRUSTEES' REPORT (continued)
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The pension fund is in deficit by £621,000.

Total funds at 31 August 2018 amount to £4,981,344, and the balance on restricted general funds plus unrestricted general funds at 31 August 2018 results in a net surplus of £606,769.

INVESTMENTS 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 optimize 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 annually 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 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 increased inflation, continues to place the school at 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 (EFA) 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

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- 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 2018 the scheme deficit had decreased from £780,000 to £621,000. The financial statements report the share of the LGPS deficit on the Academy's balance sheet in line with the requirements of FRS102. 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.

FUNDRAISING

The Academy Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

The Academy intends to continue achieving its aims and objectives through the aforementioned activities, including nursery, wraparound care and teaching school activities.

FUNDS HELD AS CUSTODIAN

The School does not currently hold any funds as Custodian Trustee on behalf of others

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 4 December 2018 and signed on its behalf by:

M Green
Chair of Trustees

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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	3	5
E Radley, Head Teacher and Accounting Officer	5	5
R Immink	4	5
P Smith	4	5
S Jackson	3	5
J Freear	5	5
G Goodwin, Staff Trustee	5	5
S Medina, Staff Trustee	5	5
R Mosley	3	5
M Preston	3	5
J Harrison	3	5

There was one change to the Governing Body throughout the year. Mrs M Preston resigned on 25 June 2018. After the year end Mr M Fleming was appointed on 11 October 2018. The trustees would like to thank the retiring governor for her support to the Academy, her dedication and enthusiasm has had a positive impact over the time she 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.

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.

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GOVERNANCE STATEMENT (continued)

- Review and monitor procedures for Health & Safety
- Responsible for internal audit
- Major issues will be referred to the full Governing Body for ratification, these include immediate funding and budgetary constraints, three-year financial planning, and management of County Council funded building grant.

Attendance at meetings in the year was as follows:

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

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 and to 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	5
G Goodwin	4	5
P Smith	5	5
S Jackson	4	5
S Medina	3	5
R Mosley	3	5
M Preston	4	5
J Harrison	4	5

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:

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 & 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.

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GOVERNANCE STATEMENT (continued)

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

- Financial integration of new activities including nursery and wraparound care
- Review of the risk management
- Review of pecuniary interests

On a semi-annual basis, the 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

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GOVERNANCE STATEMENT (continued)

September 2018 where 5 high risk control issues were noted. Remedial actions on these points have been addressed immediately and 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 Finance and Asset Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 4 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

E Radley
Accounting Officer

Date: 4 December 2018

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 4 December 2018 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 (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

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 for the financial year 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.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR
17 December 2018

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bourne Westfield Primary Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 ACCOUNTANT

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Bradshaw (Senior statutory auditor)

Streets Audit LLP

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

17 December 2018

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	6,879	-	398,498	405,377	409,817
Charitable activities	3	139,568	2,328,430	-	2,467,998	2,409,129
Other trading						
Other trading activities	4	148,814	-	-	148,814	130,932
Teaching school		-	445,163	-	445,163	388,383
Investments	5	1,220	-	-	1,220	1,182
TOTAL INCOME		296,481	2,773,593	398,498	3,468,572	3,339,443
EXPENDITURE ON:						
Charitable activities		229,654	2,456,338	135,094	2,821,086	2,740,570
Teaching school		-	400,504	-	400,504	319,632
TOTAL EXPENDITURE	6	229,654	2,856,842	135,094	3,221,590	3,060,202
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		66,827	(83,249)	263,404	246,982	279,241
Transfers between Funds	16	4,321	(13,718)	9,397	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		71,148	(96,967)	272,801	246,982	279,241
Actuarial gains on defined benefit pension schemes	21	-	303,000	-	303,000	228,000
NET MOVEMENT IN FUNDS		71,148	206,033	272,801	549,982	507,241
RECONCILIATION OF FUNDS:						
Total funds brought forward		184,680	(476,092)	4,722,774	4,431,362	3,924,121
TOTAL FUNDS CARRIED FORWARD		255,828	(270,059)	4,995,575	4,981,344	4,431,362

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		5,091,588		4,709,754
CURRENT ASSETS					
Stocks	13	10,291		9,275	
Debtors	14	157,647		166,199	
Cash at bank and in hand		576,434		555,927	
			<u>744,372</u>		<u>731,401</u>
CREDITORS: amounts falling due within one year	15	(233,616)		(229,793)	
NET CURRENT ASSETS			510,756		501,608
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	21		(621,000)		(780,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			4,981,344		4,431,362
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	350,941		303,908	
Restricted fixed asset funds	16	4,995,575		4,722,774	
Restricted income funds excluding pension liability		5,346,516		5,026,682	
Pension reserve		(621,000)		(780,000)	
Total restricted income funds			4,725,516		4,246,682
Unrestricted income funds	16		255,828		184,680
TOTAL FUNDS			4,981,344		4,431,362

The financial statements on pages 21 to 45 were approved by the trustees, and authorised for issue, on 4 December 2018 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>139,759</u>	<u>(281,744)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,220	1,182
Purchase of tangible fixed assets		(518,970)	(444,665)
Capital grants from DfE Group		289,498	389,354
Capital funding received from sponsors and others		<u>109,000</u>	<u>-</u>
Net cash used in investing activities		<u>(119,252)</u>	<u>(54,129)</u>
Change in cash and cash equivalents in the year		20,507	(335,873)
Cash and cash equivalents brought forward		<u>555,927</u>	<u>891,800</u>
Cash and cash equivalents carried forward		<u><u>576,434</u></u>	<u><u>555,927</u></u>

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 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 2017 to 2018 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
(A company limited by guarantee)

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

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.

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

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

1.4 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.

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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:

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 on improvements, 2% on cost on buildings, land not depreciated
Furniture and fixtures	-	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.

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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.

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.

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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.

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 funders where the asset acquired or created is held for a specific purpose.

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

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	6,879	-	-	6,879	20,463
Capital Grants	-	-	398,498	398,498	389,354
	6,879	-	398,498	405,377	409,817
<i>Total 2017</i>	<i>1,517</i>	<i>18,946</i>	<i>389,354</i>	<i>409,817</i>	

BOURNE WESTFIELD PRIMARY ACADEMY
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,938,858	1,938,858	1,975,406
Other DfE/ESFA grants	-	243,076	243,076	239,780
	-	2,181,934	2,181,934	2,215,186
Other government grants				
Local authority grants	-	143,596	143,596	56,899
	-	143,596	143,596	56,899
Other funding				
Catering income	59,666	-	59,666	60,560
School fund income	70,318	-	70,318	65,367
Other income	9,584	2,900	12,484	11,117
	139,568	2,900	142,468	137,044
	139,568	2,328,430	2,467,998	2,409,129
<i>Total 2017</i>	131,211	2,277,918	2,409,129	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	545	-	545	2,970
Sale of goods	-	-	-	19,389
Nursery and after school club	147,648	-	147,648	108,573
Other income	621	-	621	-
	148,814	-	148,814	130,932
<i>Total 2017</i>	67,345	63,587	130,932	

BOURNE WESTFIELD PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank account interest	1,220	-	1,220	1,182
<i>Total 2017</i>	1,182	-	1,182	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	1,903,443	-	104,333	2,007,776	1,921,226
Support costs	431,613	102,992	278,705	813,310	819,344
	2,335,056	102,992	383,038	2,821,086	2,740,570
<i>Total 2017</i>	2,267,386	118,490	354,694	2,740,570	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	2,007,776	813,310	2,821,086	2,740,570
<i>Total 2017</i>	1,921,226	819,344	2,740,570	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational Operations	Total 2018	<i>Total 2017</i>
	£	£	£
Staff costs	431,613	431,613	432,070
Technology costs	29,595	29,595	54,380
Other support costs	102,992	102,992	118,490
Other costs	234,028	234,028	200,663
Governance costs	15,082	15,082	13,741
	<u>813,310</u>	<u>813,310</u>	<u>819,344</u>
<i>At 31 August 2017</i>	<u>819,344</u>	<u>819,344</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	<i>2017</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy	129,618	111,601
Auditors' remuneration - audit	3,385	5,125
Auditors' remuneration - non-audit	3,511	1,025
Operating lease rentals	1,493	1,676
	<u>138,007</u>	<u>121,427</u>

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9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,766,579	1,730,345
Social security costs	146,034	144,453
Operating costs of defined benefit pension schemes	416,422	373,422
	2,329,035	2,248,220
Agency staff costs	6,021	19,166
	2,335,056	2,267,386

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	37	48
Admin and support	81	131
Management	1	1
	119	180
	119	180

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	29	32
Admin and support	33	32
Management	1	1
	63	65
	63	65

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme.

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9. STAFF COSTS (continued)

d. Key management personnel

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 £331,776 (2017 - £311,392).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	<i>2017</i>
		£'000	<i>£'000</i>
E Radley, Head Teacher	Remuneration	85-90	<i>80-85</i>
	Pension contributions paid	10-15	<i>10-15</i>
S Medina	Remuneration	15-20	<i>20-25</i>
	Pension contributions paid	0-5	<i>0-5</i>
G Goodwin	Remuneration	40-45	<i>40-45</i>
	Pension contributions paid	5-10	<i>5-10</i>

During the year ended 31 August 2018, expenses totalling £400 (2017 - £512) were reimbursed to 2 trustees (2017 - 2).

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 2018 was £79 (2017 - £79).

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12. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	5,113,338	45,516	94,412	5,253,266
Additions	480,817	8,771	29,382	518,970
Disposals	(10,023)	-	(5,302)	(15,325)
At 31 August 2018	<u>5,584,132</u>	<u>54,287</u>	<u>118,492</u>	<u>5,756,911</u>
Depreciation				
At 1 September 2017	447,405	38,244	57,863	543,512
Charge for the year	102,124	3,405	24,089	129,618
On disposals	(2,505)	-	(5,302)	(7,807)
At 31 August 2018	<u>547,024</u>	<u>41,649</u>	<u>76,650</u>	<u>665,323</u>
Net book value				
At 31 August 2018	<u>5,037,108</u>	<u>12,638</u>	<u>41,842</u>	<u>5,091,588</u>
At 31 August 2017	<u>4,665,933</u>	<u>7,272</u>	<u>36,549</u>	<u>4,709,754</u>

The Academy's freehold property additions during the year relate to a new nursery, final costs for the new music room and tarmac works for KS1.

13. STOCKS

	2018 £	2017 £
Uniform and stationery stocks	<u>10,291</u>	<u>9,275</u>

14. DEBTORS

	2018 £	2017 £
Trade debtors	99,845	80,070
Other debtors	21,407	37,852
Prepayments and accrued income	36,395	48,277
	<u>157,647</u>	<u>166,199</u>

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15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	46,966	7,889
Other taxation and social security	34,969	34,075
Other creditors	100,693	130,972
Accruals and deferred income	50,988	56,857
	233,616	229,793
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	95,401	351,873
Resources deferred during the year	90,709	95,401
Amounts released from previous years	(95,401)	(351,873)
	90,709	95,401

Deferred income relates to UIFSM income, Erasmus maths project income and teaching school support income relating to the 2018/19 academic year.

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	184,680	296,481	(227,611)	(93,735)	-	159,815
Unrestricted fixed assets	-	-	(2,043)	98,056	-	96,013
	184,680	296,481	(229,654)	4,321	-	255,828

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16. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	223,690	1,939,058	(1,926,142)	(9,397)	-	227,209
Other DfE/ESFA grants	-	242,877	(242,877)	-	-	-
Other government grants	-	40,817	(40,817)	-	-	-
Teaching school	79,073	445,163	(400,504)	-	-	123,732
Other income	1,145	105,678	(102,502)	(4,321)	-	-
Pension reserve	(780,000)	-	(144,000)	-	303,000	(621,000)
	<u>(476,092)</u>	<u>2,773,593</u>	<u>(2,856,842)</u>	<u>(13,718)</u>	<u>303,000</u>	<u>(270,059)</u>

Restricted fixed asset funds

DfE/ESFA capital grants	645,730	398,498	(39,178)	-	-	1,005,050
Capital expenditure from GAG	254,736	-	(30,226)	9,397	-	233,907
Capital expenditure for other income	3,822,308	-	(65,690)	-	-	3,756,618
	<u>4,722,774</u>	<u>398,498</u>	<u>(135,094)</u>	<u>9,397</u>	<u>-</u>	<u>4,995,575</u>
Total restricted funds	<u>4,246,682</u>	<u>3,172,091</u>	<u>(2,991,936)</u>	<u>(4,321)</u>	<u>303,000</u>	<u>4,725,516</u>
Total of funds	<u>4,431,362</u>	<u>3,468,572</u>	<u>(3,221,590)</u>	<u>-</u>	<u>303,000</u>	<u>4,981,344</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 Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from Local Authority on conversion represents the assets transferred to the Academy from the Local Authority upon conversion.

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

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

16. STATEMENT OF FUNDS (continued)

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

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2018 results in a net surplus of £606,769.

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

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
Unrestricted funds	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)
	<u>(651,829)</u>	<u>2,748,834</u>	<u>(2,732,766)</u>	<u>(68,331)</u>	<u>228,000</u>	<u>(476,092)</u>
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>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	96,013	-	4,995,575	5,091,588
Current assets	160,803	583,569	-	744,372
Creditors due within one year	(988)	(232,628)	-	(233,616)
Provisions for liabilities and charges	-	(621,000)	-	(621,000)
	<u>255,828</u>	<u>(270,059)</u>	<u>4,995,575</u>	<u>4,981,344</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i> 2017 £	<i>Restricted funds</i> 2017 £	<i>Restricted fixed asset funds</i> 2017 £	<i>Total funds</i> 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)
	<u>184,680</u>	<u>(476,092)</u>	<u>4,722,774</u>	<u>4,431,362</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	246,982	279,241
Adjustment for:		
Depreciation charges	129,618	111,601
Dividends, interest and rents from investments	(1,220)	(1,182)
Loss on the sale of fixed assets	7,518	-
(Increase)/decrease in stocks	(1,016)	4,753
Decrease/(increase) in debtors	8,552	(119,737)
Increase/(decrease) in creditors	3,823	(274,066)
Capital grants from DfE and other capital income	(398,498)	(389,354)
Defined benefit pension scheme cost less contributions payable	123,000	87,000
Defined benefit pension scheme finance cost	21,000	20,000
Net cash provided by/(used in) operating activities	139,759	(281,744)

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19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	576,434	555,927
Total	576,434	555,927

20. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at the 31 August 2018.

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.

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:

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21. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £186,039 (2017 - £185,605).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £138,000 (2017 - £122,000), of which employer's contributions totalled £107,000 (2017 - £101,000) and employees' contributions totalled £31,000 (2017 - £21,000). 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:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.70 %	<i>2.80 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.40 %</i>
Commutation of pensions to lump sums	50.00 %	<i>75.00 %</i>

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21. PENSION COMMITMENTS (continued)

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

	2018	<i>2017</i>
Retiring today		
Males	22.1	<i>22.1</i>
Females	24.4	<i>24.4</i>
Retiring in 20 years		
Males	24.1	<i>24.1</i>
Females	26.6	<i>26.6</i>

	At 31 August 2018	<i>At 31 August 2017</i>
	£	<i>£</i>
Sensitivity analysis		
Discount rate +0.1%	57,000	<i>55,000</i>
Mortality assumption - 1 year increase	87,000	<i>63,000</i>

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

	Fair value at 31 August 2018	<i>Fair value at 31 August 2017</i>
	£	<i>£</i>
Equities	1,139,000	<i>1,030,000</i>
Corporate bonds	234,000	<i>159,000</i>
Property	172,000	<i>119,000</i>
Cash and other liquid assets	15,000	<i>13,000</i>
Total market value of assets	1,560,000	<i>1,321,000</i>

The actual return on scheme assets was £75,000 (2017 - £255,000).

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

	2018	<i>2017</i>
	£	<i>£</i>
Current service cost	(230,000)	<i>(188,000)</i>
Interest income	35,000	<i>21,000</i>
Interest cost	(56,000)	<i>(41,000)</i>
Total	(251,000)	<i>(208,000)</i>
Actual return on scheme assets	75,000	<i>255,000</i>

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21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening defined benefit obligation	2,101,000	1,837,000
Current service cost	230,000	188,000
Interest cost	56,000	41,000
Employee contributions	31,000	28,000
Actuarial (gains)/losses	(228,000)	27,000
Benefits paid	(9,000)	(20,000)
	<u>2,181,000</u>	<u>2,101,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,321,000	936,000
Interest income	35,000	21,000
Actuarial losses	75,000	255,000
Employer contributions	107,000	101,000
Employee contributions	31,000	28,000
Benefits paid	(9,000)	(20,000)
	<u>1,560,000</u>	<u>1,321,000</u>

22. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,456	1,493
Between 1 and 5 years	728	2,184
	<u>2,184</u>	<u>3,677</u>
Total	<u>2,184</u>	<u>3,677</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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24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Academy purchased goods and services from S J Radley, the spouse of the Head Teacher, amounting to £96 (2017 - £811). No amounts were outstanding at the year end.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

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25. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Other income	53,200		56,000	
OTHER INCOME				
Fundraising and other activities	391,963		332,383	
TOTAL INCOME		445,163		388,383
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	174,679		183,643	
Staff development	3,615		-	
Other direct costs	191,188		131,531	
TOTAL DIRECT EXPENDITURE	369,482		315,174	
OTHER EXPENDITURE				
Other staff costs	26,911		-	
Other support costs	4,111		4,458	
TOTAL OTHER EXPENDITURE	31,022		4,458	
TOTAL EXPENDITURE		400,504		319,632
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION		-		10,322
SURPLUS FROM ALL SOURCES		44,659		79,073
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		79,073		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		123,732		79,073