

St Osmund's CE Middle School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017

Company Registration Number: 08066279 (England and Wales)

St Osmund's CE Middle School
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St Osmund's CE Middle School
Reference and Administrative Details

Members	The Diocese of Salisbury Educational Trust The Parochial Church Council for the Parish of Dorchester and West Stafford Appointee of the Archdeacon of Sherborne Canon T Woodhouse	
Trustees	Mrs L Bainbridge Ms J K Benson (appointed 16 October 2017) Mr P Browne Mrs J Denham Miss R Dodman (appointed 12 October 2016) Ms M S Farley (appointed 11 October 2017) Mr R M Fitzgerald Mr A J Gannon Mrs L Graves (resigned 4 October 2017) Commander J A Holt Mr L D House Miss A J Lane (appointed 11 October 2017) Mr C Naughton Mr J Nugent (appointed 12 October 2016) Mrs C Pugh (resigned 30 September 2017) Mr J Williams (Headteacher and accounting officer) Canon T Woodhouse	
Company Secretary	Mrs R Golledge	
Senior Management Team	Head teacher	Mr J Williams
	Assistant head teacher	Mr S Beet
	Assistant head teacher	Ms F Brady
	Leader of pupil wellbeing	Mr P Absolom
	Leader of staff learning	Mrs A Boon
	Business manager	Mrs R Golledge
Company Name	St Osmund's CE Middle School	
Principal and Registered Office	Barnes Way Rothesay Road Dorchester Dorset DT1 2DZ	
Company Registration Number	08066279 (England and Wales)	
Independent Auditor	Albert Goodman LLP Mary Street House Mary Street Taunton Somerset TA1 3NW	

St Osmund's CE Middle School
Reference and Administrative Details

Bankers

Lloyds
49 South Street
Dorchester
Dorset
DT1 1DW

Solicitors

Parker Bullen Solicitors
8 Newbury Street
Andover
Hampshire
SP101DW

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

The trust operates an academy for pupils aged 9 to 13 serving a catchment area local to St Osmund's CE Middle School. It has a pupil capacity of 600 and had a roll of 682 in the school census on 5th October 2017. The Academy is currently increasing the pupil population at the request of the local authority from 600 to 720 between September 2016 and September 2020 which has led to a material pressure on the operating cost of the Academy. This request resulted in an additional four classrooms, multiuse room and dining hall being built between January 2017 and November 2017 and this building was funded by Dorset County Council.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Osmund's Middle School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Osmund's Middle School Academy.

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

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

The school has taken out appropriate indemnity insurance to protect the trustees' interests.

Method of Recruitment and Appointment or Election of Trustees

Although there is not a limit on the number of trustees on the board of trustees the Church/Foundation Trustees have always to be in a majority.

The Team Rector for the Dorchester Benefice is a trustee ex officio.

The Headteacher of the school is a trustee, ex officio.

A maximum of two Staff Trustees and three Parent Trustees may be appointed. Any contested election of Staff Trustees or Parent Trustees is held by secret ballot. A Parent Trustee must be the parent of a pupil registered at the school at the time of election. A Staff Trustee must be a member of the staff of the school at the time of election and must cease to be a trustee on leaving the staff of the school.

The remainder of the trustees are appointed by a body representing the Diocese of Salisbury Academy Trust and the Archdeacon of Sherborne and including the Team Rector of the Dorchester Benefice and the Chairman of Trustees, acting on the recommendation of the Parochial Church Council of the Parish of Dorchester and West Stafford.

The trustees may appoint up to two Co-opted Trustees.

The term of office for any trustees, other than those appointed ex officio, is four years.

Policies and procedures Adopted for the Induction and training of Trustees

The induction and training of new trustees is handled by the Clerk to the Trustees. New trustees are encouraged to attend specific training courses provided by Dorset County Council and Salisbury Diocese. Specialist training is arranged for specific responsibilities (e.g. special educational needs). All trustees receive training in safeguarding from the Dorset Safeguarding Board. Trustees are kept up-to-date with changes to education through subscriptions to Dorset Governor and, via the Clerk to the Trustees, information from the Department for Education and the Education and Skills Funding Agency.

Organisational Structure

The full board of trustees normally meets at least four times each year including the AGM. Certain aspects of the academy's business are delegated to the following committees, on which the Headteacher and Chairman of Trustees also sit. The school's Business Manager and members of the Senior Leadership Team also attend committees, as appropriate.

- The Finance and Premises Committee meets at least six times a year and oversees financial matters, the maintenance of the school site and premises, and health and safety matters.
- The Staffing and Curriculum Development Committee meets at least six times a year to review the school's pay policies, to oversee the performance management process and oversee matters relating to staffing.
- The Strategic Committee meets at least six times a year to oversee the agenda for the board of trustees' meetings. It also formulates the long term plans for the school and deals with urgent matters.
- The Admissions and Exclusions Committee meets ad hoc to apply the school's Admission Policy in cases of over-subscription and to discharge the trustees' responsibilities with regard to the exclusion of pupils.
- The Staff Pay Committee meets ad hoc in cases of disagreement over staff pay.
- The Staff Dismissal Appeals Committee meets ad hoc in cases of staff dismissal.
- Further ad hoc panels of trustees may be convened by the Clerk to the Trustees to review unresolved complaints under the Complaints Procedure.

The Headteacher is the accounting officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel's pay and remuneration is set in line with the teachers' pay and conditions that are set each year. The Business Managers' pay and remuneration is set in line with Dorset County Council's job evaluation recommendation for support staff in schools.

Related Parties and other Connected Charities and Organisations

St. Osmund's CE Middle School is an active member of the Dorchester Area Schools Partnership (DASP). The Headteacher is ex officio a director of DASP Ltd. This network provides for a programme of shared teaching and learning across the whole age range, from 4 to 18. All maintained and academy schools in the Dorchester Pyramid are members, as are the Learning Centre. Participating schools value this alliance as part of their school improvement programme. There are two Multi-Academy Trusts within the Partnership. The Greenwood Tree Academy Trust and The Thomas Hardy Multi Academy Trust.

There are also very close links between the school and the St. Osmund's Community Sports Centre, a charitable trust. A member of the school staff serves as a director and there are in place financial agreements between the school and the Sports Centre for its use, maintenance and running costs.

Objectives and Activities

Objects and Aims

After a period of consultation (Autumn Term 2015) with pupils, staff, parents and the board of trustees, it was agreed that the following vision statement encapsulated the aims of the school:

St. Osmund's is a school built upon the Christian values of faith, hope and love. We aim to inspire and empower all to be active life-long learners who achieve their potential and contribute positively to the world.

The trustees seek to provide a school offering a broad and balanced education, suitable to the age, ability, aptitude and any special educational needs of its pupils, to the children living in its catchment area and to the children of parents who have expressed a preference for their being educated here, in accordance with its Admissions Policy.

Through Religious Education, Corporate worship, links with local churches and the ethos of the school, Trustees endeavour to maintain and promote the religious character of the school and specifically the characteristics of the Church of England.

The school endeavours to ensure that all students learn to their full potential in an informed, caring, supportive and safe environment in which challenging learning experiences develop pupils to continue their education successfully as confident young people.

In addition to its academic provision, the school encourages all its pupils to develop their musical, artistic and sporting skills and interests through its many clubs, teams and out-of-school activities. It also aims to help its pupils become more aware of, and active in, the local, national and international community through its teaching and modelling by staff and Trustees.

In partnership with parents the school aims to raise standards of achievement and progress among its pupils through the provision of a varied curriculum, high quality teaching and high expectations.

Objectives, Strategies and Activities

In September 2012, St. Osmund's CE Middle School was recognised by OfSTED as an outstanding school. We aim to maintain this judgement. To that end, the school adopted, during the period of this report, the following actions as detailed within the School Improvement Plan (SIP):

1. Through an improvement in achievement and attainment in literacy and numeracy, pupils to effectively access the rest of the curriculum.
Key actions included:
 - All maths teachers in Years 5 and 6 to have an additional timetabled hour to undertake their own maths intervention, targeting the children in their maths groups to provide personalised support.
 - To undertake regular moderation of pupil work in Year 5 and Year 6 to identify pupils working at Age Related Expectation (ARE) and those at risk of not achieving.
 - To use the bar method to support mathematics teaching through the use of concrete, pictorial and abstract approaches.
 - To increase the mathematical learning environments in classrooms around the school.

- To see increased use of manipulatives for mathematical problem solving and understanding throughout the school.
- To improve the monitoring of Pupil Premium ensuring that opportunities to provide an enriching curriculum are sought for this target group in order to aid closing the gap.
- To identify at risk children in each class based on KS1 reading and Verbal Cognitive Ability Tests (CATs) score and provide additional focussed intervention in library slots.
- Identify weak spellers across year group and raise standards through use of new spelling scheme in intervention slot. Focus on spelling standards across all written work.
- Emphasise the improvement in handwriting. All pupils, where appropriate, to use handwriting pens.
- Increase consistency of reading standards across school - all students to carry appropriate standard of reading book at all times. Tutor group monitoring of reading, purchase of new materials, appointment of reading Tsar in each tutor group to liaise with Mrs Lawrence.
- Continue to raise standard of reading and expand vocabulary in KS3. Creation of new units of work based on new fiction choices.
- To undertake regular monitoring of the work in pupils' books.

2. To improve the quality of teaching.

Key actions included:

- Increase the profile of sharing best practice for teaching.
- Teachers to be given the opportunity to observe a colleague teach. Extension of the "TRIO" strategy or equivalent to enable sharing of teaching pedagogy to all three terms.
- To develop the alliance with the Dorchester Thomas Hardy School, in the light of their award as a Teaching School.
- For teachers assessed to be outstanding to "cascade" best practice. To launch during the first training day, at the start of the Autumn term.
- To create and maintain an induction pack for new staff working within the School.
- Learning Walks to take place each week and be open to all members of staff who wish to go on a Learning Walk with a SLT, Department or Year Head or colleague.
- Book Monitoring to take place each half term to assess pupil progress and assessment of pupils' learning. All staff to be included and results fed back to all staff. Purple pens to be used by all pupils for editing and improving work.
- Review of Staff CPD and career progression, details of CPD opportunities to all staff, to include: NCSL, Dorchester Thomas Hardy's Teaching Alliance, University links and LA CPD. Linked to staff annual appraisals.

3. In order to implement effective intervention, accurately track pupil progress, ensuring all children meet their potential.

Key actions included:

- To monitor / track pupils attitudes and learning within school and to their learning.
- For KS2 maths teachers to plan, teach and deliver their own interventions for the group(s) they teach, having identified the pupils who require intervention.
- To assess and report on pupil progress using new assessment criteria, without levels – refine the work completed last year and update SIMS.
- Joint monitoring of standards, progress and practice in maths between first schools and St Osmund's Middle School and across the three middle schools.
- To monitor progress of Pupil Premium children across core subjects, identifying those at risk and putting into place targeted intervention according to need.
- Continued support for Teaching Assistants in the monitoring and recording of assessments and pupil progress when working on Special Education Need (SEN) identified interventions. Interventions attended will continue to be logged on SIMs and hard copies of plans and assessments kept in the Education Extra office. This data will continue to be shared with parents by ourselves and Special Education Needs Support Services (SENS).

4. To provide a curriculum that prepares students for an active, fulfilling and successful life.

Key actions included:

- For all Heads of Department to review and refine their curriculum in the light of the new National curriculum and provide updated schemes of work, detailing learning objectives, teaching activities, resources and set assessment tasks. Schemes of work to be reviewed as part of the programme of Subject Review
- New departmental assessments (tests or tasks with marking criteria) to be evaluated and where appropriate revised.
- To monitor new schemes of work and departmental assessments. This to be a component of Subject Reviews.
- To complete overviews of subject, specifying details of teaching and learning, forming a guide for teachers new to the team and governors. To be completed by Autumn Subject Review
- Departments to produce portfolios of work as exemplars of the expected standard of the 5 bands
- Heads of Department to agree mark / grade boundaries in order to place the results of assessments into one of 5 bands. Mark boundaries to be decided after children have completed assessments and the results have been collected, using knowledge of national standards.
- First and Middle School Staff to jointly moderate work.
- Middle and Upper School Staff to jointly moderate work.
- To introduce the use of purple pens, to aid pupil reflection and self-evaluation of their work.

5. All pupils to develop resilience and sustain positive, healthy relationships.

Key Actions included:

- To review of current Enrichment provision to ensure optimum use of staffing resources, and activities appropriate to the ethos.
- For Heads of Year and tutors in Key Stage 3 to follow their Year group into the next academic Year, within the Key Stage.
- Focus group of Students of Concern (SOC) to be offered increased pastoral support by their tutor and Head of Year.
- A review of the focus group of Student of Concern (SOC) pupils to take place following their Approach to Learning (ATL) reports.
- To review intervention options, support agencies and shortfall in skills we can offer.
- To ensure consistency of distribution of ATL grades.
- To undertake a review of staffing / appropriate levels of accreditation. To develop a dedicated resourced base within St Osmund's campus.

6. To involve all stakeholders (students, staff, parents and governors) in the development of our learning community.

Key actions included:

- For all new governors to receive an Induction Pack.
- For all new governors to be provided with an Induction session.
- To strengthen the Link Governor role with subject areas. Link Governors to attend Subject Reviews.
- To continue to strengthen and encourage parental engagement through our new parent support group, providing reassurance and information to parents in a more relaxed and informal manner.

7. To successfully increase the school PAN from 600 to 720.

Key actions included:

- To liaise with the Project Board Team
- To provide building updates for the wider school community

Public Benefit

The trustees have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Providing non-selective education, and through its links with DASP and the local community, the school has provided considerable public benefit. It liaises with a number of external agencies e.g. YISP (Youth Inclusion Support Panel), CAMHS (Child and Adolescent Mental Health Service) Behavioural Support, YOT (Youth Offending Team), Social Services, Dorset Early Intervention Team, DFM (Dorset Family Matters). It supports notable national and international charities (Cancer Research and Action Aid). Pupils and staff actively participate within public worship at local churches.

The school's active membership of DASP enables strong curriculum links between it and the First Schools in the area.

Regular meetings with the First School Heads in the Mini Pyramid has allowed collaborative work on tracking key groups throughout First and Middle school. Regular joint moderation meetings during the year between First and Middle School core subject teachers have become extended to include joint observations and work scrutiny. The Headteacher is a member of the DASP Executive Board and chairs the Assessment Development Group. Student voice groups from all three phases have participated within key events this year namely Send my friend to school campaign. Similarly, the links between the School, Thomas Hardy School and the Dorset Studio School, ensure smooth transition and pupils prepared for their education to continue at their Upper School.

The 'One School' vision across DASP has led to the development of projects to share good practice and monitor impact jointly across all phases. This is demonstrated in particular through the work of the Literacy Development Group which plan and promote joint activities across DASP schools. Gifted and talented groups across all schools meet regularly for targeted workshops and activities. These joint ventures promote the 'one school' ideal and help all students see their education as continuous and consistent.

Strategic Report

Achievements and Performance

Statutory Inspection of Anglican and Methodists Schools (SIAMS)

In October 2017 the school was inspected within the SIAMS framework and was deemed to be 'Outstanding' in all areas (Christian character, Collective Worship, Religious Education and Leadership and Management).

Outcomes for pupils 2016 - 2017

In September 2017 the Local Authority communicated with the school that after an analysis of pupils' Key Stage 2 outcomes, the school had been graded as a 'Category 2 / Good' school.

As a Middle School, St. Osmund's administers SATs to pupils in year 6, at which time they have been in the school for only 5 terms.

End of Year 6 Key Stage 2 Results

	No. of pupils	Maths		Reading		Writing		Maths, Reading & Writing
		% at the standard	Average scaled score	% at the standard	Average scaled score	% at/above the standard	% above the standard	% at the standard
NATIONAL	-	75	104	71	104	76	18	61
St Osmund's	152	70	102	70	104	84	18	57
Non Pupil Premium	126	72	102	71	104	85	20	60
Pupil Premium	26	58	99	62	98	81	8	42

Outcomes from the Grammar, Spelling and Punctuation Test

- 63% of pupils met the standard at the standard compared to National 77%

Strengths

Maths

- Increase in % of pupils achieving the standard (70%) from 2016 (66%)

Reading

- Increase in % of pupils meeting the higher standard for reading (26%) compared to national (25%)

Writing

- Increase in % of pupils meeting the expected standard (84%) compared to National (76%)

Maths, Reading and Writing

- Increase in % of pupils achieving the standard (57%) from 2016 (54%)

Key areas requiring improvement

Maths

- To increase the level of attainment in Maths (% achieving higher standard) at the end of KS2 with a focus on girls (DASP)

SPAG

- Increase % of pupils achieving standard in SPAG

Vulnerable groups

- To raise the attainment of Pupil Premium pupils
- Close the gap in achievement between lower attaining pupils at KS1 and others

Progress Measure

The progress measure is based on an analysis of pupil data taken from the Key Stage 1 and 2 tests. Nationally, children are put into 21 prior attainment groups depending on their Key Stage 1 results. The expected scaled score for each of the 21 groups is then calculated. A pupil's progress score is the difference between their own Key Stage 2 result and the national average KS2 result for their respective prior attainment score.

A school's progress score for English reading, English writing and mathematics is calculated as its pupils' average progress score. This means that school level progress scores will be presented as positive and negative numbers either side of zero.

- A score of zero means pupils in a school, on average, do as well at Key Stage 2 as those children with similar prior attainment
- A positive score means pupils in a school, on average, do better at Key Stage 2 as those children with similar prior attainment
- A negative score means pupils in a school, on average, do worse at Key Stage 2 as those children with similar prior attainment

For example a school with a maths progress score of -4 would mean, on average, pupils in the school achieved 4 scaled points lower in the Key Stage 2 maths tests than other pupils with similar prior attainment nationally.

St Osmund's Middle Key Stage 2 Progress Measure

Reading Progress Score = - 0.69

Writing Progress Score = 0.75

Maths Progress Score = - 2.26

Area requiring improvement

Progress

- To raise the rate of progress made by pupils between KS1 and KS2 by increasing the attainment of children achieving the national standard in maths and reading

End of Year 8 Test Results

Year 8 GL Assessments

GL Assessment is the leading provider of formative assessments to UK schools, as well as providing assessments for overseas ministries and British, bilingual and international schools in over 100 countries worldwide. In June 2016, all Year 8 pupils in DASP were tested in maths, reading and science using GL assessment material.

The Year 8 GL Progress tests provide a **Standard Age Score** for each pupil. As a result nationally 50% of children who sat the GL Progress test received a score of less than 100 and 50% received a score of 100 or more. The results form a standard distribution.

<u>2017</u>	Maths	English	Science
All Children	113.4	110.6	108.9
Boys	116.3	111.4	111.5
Girls	110.8	110.0	106.6
Non Free School Meals	114.5	111.4	110.0
Free School Meals	101.6	102.5	97.1

Strengths

Maths

- Pupils leave the school with a mean standard age score significantly higher than the national average (100).

English (reading)

- Pupils leave the school with a mean standard age score significantly higher than the national average (100).
- Outcomes for boys and girls were almost identical

Science

- Pupils leave the school with a mean standard age score significantly higher than the national average (100).

Areas requiring improvement

Vulnerable groups

- To raise the attainment of 'disadvantaged' pupils

% pupils making 2 levels progress from Yr. 5 to Yr. 8

	2016	2017
Maths	92	90
Reading	83	82
Writing	95	92

Strengths

Maths

- Pupils make good progress between Year 5 and Year 8

Reading

- Pupils make good progress between Year 5 and Year 8 especially boys.

Writing

- Pupils make good progress between Year 5 and Year 8
- A significant number of pupils make better than expected progress

Vulnerable groups

- There has been a narrowing of the gap between the amount of progress made by 'disadvantaged pupils' and that made by non-disadvantaged pupils in reading and writing

Areas requiring improvement

- To increase the rate of progress made in KS2
- To raise the attainment of disadvantaged pupils

Attendance during the period in question was 95.9% overall.

The school continues with its programme of subject review. Trustees, linked with specific curriculum areas, are part of those reviews with the subject leaders and members of the Senior Leadership Team. The outcome of those reviews feed into the process of developing the School Improvement Plan.

Academic achievement and progress do not represent in its entirety the achievement of the school. During the period in question, there was considerable sporting success and music success. Among such achievements were:

Musical achievements

- Approximately 50 students involved in researching, writing and composing workshops for our WW1 production which will be performed in 2018. The workshops were led by professional historians, writers and song writers.
- Approximately 30 pupils attended our "Come and Try" Day with a view to taking up a musical instrument.
- 160 pupils took up the opportunity to learn a musical instrument at school with DASP.
- 'Ossie Singers' took part in the joint concert with DASP Middle Schools / Dorchester Thomas Hardy Singers and Imperial College Orchestra at St Mary's Dorchester.
- The school's performing groups took part in the Carol Service.
- 50 singers also took part in the National Singing Strategy Musical Theatre workshop arranged by DASP, performing at the Weymouth Pavilion.
- 100 students took part in the School Concert (Ossie's Does Broadway) with all ensembles taking part
- Year 5 went to The Lighthouse Theatre in Poole to listen to the Bournemouth Symphony Orchestra.
- Over 100 Year 6 pupils took up the opportunity to see the musical Aladdin at the Prince Edward Theatre, London.
- Year 8 organised and presented their own Celebration Evening.
- Pupils having lessons through DASP are encouraged to take part in the Wednesday Music Night Ensembles and to take music exams.
- A number of students took part in DASP Orchestra day with BSO and also in the DASP Prom at Weymouth Pavilion.

Sports Achievements

- Year 8 Basketball Team: County Champions.
- Year 7 & 8 Netball Team: Area Winners and County Finalists.
- Year 5 & 6 Swim Team won the Area gala with three individual County Champions.
- Year 7 Girls Cross Country team won the Area Championships.
- A Year 8 pupil won the County Cross Country finals and competed at regional level.
- Year 5/6 Tag Rugby Team: Area Champions and County Finalists.
- Year 8 Rowing: second in the Weymouth and Portland competition.
- Year 7 and 8 Tennis: won the Dorset Counties competition and were runners-up at the regional event (out of 8 schools 6 private and 2 state).
- 24 pupils represented the South West at County Athletics.
- The entire Year 6 participated within a sailing day.
- The school was represented in a Year 8 mountain biking competition.
- Year 5 & 6 Swim Team: Area Champions.

Going Concern

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

Financial Review

The majority of the Academy's funding is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

The Academy also receives grants from Dorset County Council for Individually Assigned Resources to support pupils who are eligible for SEN funding. These grants are treated as restricted income.

During the year ended 31 August 2017 the academy trust received total restricted income of £2,516,854 including revenue grants from the DfE/EFSA of £2,404,432 and further grant funding of £112,422 from the local authority. There was total expenditure and transfers against this income of £2,517,733 leaving a deficit for the year of £879. The balance of general restricted funds at the year end was £57,037.

The school generated £211,638 of unrestricted income through activities such as donations and education trips. Attributable expenditure and transfers amounted to £232,366 leaving a deficit for the year of £20,728. The balance of unrestricted reserves at 31 August 2017 was £73,396

Reserves Policy

The trustees review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. As a result of this review the trustees have identified the requirement to hold an amount which is the equivalent to one month's operating cost, which currently amounts to circa £200,000.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £73,396. Additionally within restricted funds the academy holds £57,037 of reserves (including the General Annual Grant) that are considered freely available for general purposes.

The trustees intend that this should be retained to offset financial uncertainties arising from the current climate of economic austerity.

Investment Policy

The academy aims to manage its cash balances to provide 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. The School does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

Principal Risks and Uncertainties

Over 87% of the school's revenue funding is provided by the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to specific purposes.

The school's approach to strategic planning takes account of potential changes to funding levels being brought about by the application of revised local and national formulae for the allocation of funds between institutions. This aims to ensure that planned levels of expenditure can be accommodated through anticipated levels of funding and reserves.

In the current economic climate, it is difficult to forecast accurately the impact of restrictions on public sector expenditure on the future funding of individual schools.

Because levels of funding are closely tied to the number of pupils on the school roll, decisions relating to house building in the area may affect the size of the school and its future financial position. The Trustees are aware of this uncertainty. There is currently an increasing demand on School places with the town of Dorchester.

Plans for Future Periods

The Academy is reviewing standards in light of the changing curriculum and in response to last year's attainment and progress of its pupils. This has informed the creation of the School Improvement Plan.

The Academy was asked to increase the number of pupils on roll from September 2016. This request resulted in an additional four classrooms, multiuse room and dining hall being built between January 2017 and November 2017. This building was funded by Dorset County Council.

Funds held as Custodian Trustee on Behalf of Others

The academy and its trustees do not act as the Custodian Trustee of any other charity.

Auditor

Insofar as the trustees are aware:

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

The auditor, Albert Goodman LLP, will be proposed for re-appointment at the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on22/11/2017.....and signed on the board's behalf by:

Thomas M.B. Woodhouse

.....
Canon T Woodhouse
Chair of Trustees

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Osmund's CE Middle School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Bainbridge	3	3
Mr P Browne	3	3
Mrs J Denham	3	3
Mrs R Dodman (appointed 12 October 2016)	2	3
Mr R M Fitzgerald	3	3
Mr A J Gannon	2	3
Mrs L Graves (resigned 4 October 2017)	3	3
Commander J A Holt	3	3
Mr L D House	2	3
Mr C Naughton	1	3
Mr J Nugent (appointed 12 October 2016)	3	3
Mrs C Pugh	3	3
Mr J Williams	3	3
Rev T Woodhouse	3	3

During 2015-2016 the trustees conducted an audit of the skills and expertise of the constituent members. This resulted in the identification of aspects of school governance which were in need of developing. As a consequence of this self-review, 3 new Foundation Trustees have joined the Board of Trustees within the past year.

During 2017-2018 two very experienced trustees will be leaving. The Board of Trustees are confident that suitable replacements will be found. Existing trustees will be attending courses which will meet their needs.

We continue to require an additional Foundation Trustee which would enable us to appoint the third Parent Trustee.

The Finance and Premises committee is a sub-committee of the main board of trustees. Its purpose is to ensure compliance with relevant statutory and internal regulations, to submit annual revenue and capital budgets to the full board of trustees for approval, to monitor actual expenditure against these budgets; to review annually the school's internal financial policies and procedures, including the policy for fees and charges and to be responsible for:

- the appointment of external auditors
- receiving quotations, tenders and contracts for all services
- risk management and insurance arrangements
- the maintenance, refurbishment and safety of all buildings and land

During the period in question, the committee has completed the following tasks:

- reappointed external auditors
- reappointed external accountants
- set budgets in accordance with statutory guidelines
- overseen the implementation of a system of financial control the school

Attendance at the meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R M Fitzgerald	6	6
Mrs L Graves	5	6
Commander J A Holt	6	6
Mr L D House	5	6
Mr C Naughton	2	6
Mr J Nugent	1	1
Mr J Williams	6	6

Review of Value for Money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The Academy has engaged with an educational advisor to carry out an in-depth review of the overall effectiveness of the school's teaching and learning processes in line with the School Improvement Plan.
- The Academy has made a conscious decision to pay newly appointed teaching staff on the Main Teachers' Pay Scale.
- The Academy has renewed the Photocopier contract at an improved rate
- The Academy has updated the telephone system

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Osmund's CE Middle School for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews 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 and 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 South West Audit Partnership as internal auditor. There were no visits undertaken in 2016-17 with the academy planning to undertake sufficient visits in 2017-18.

The internal auditor/reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

The auditor reports to the board of trustees, through the finance and premises committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

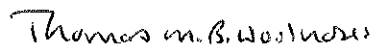
Review of Effectiveness

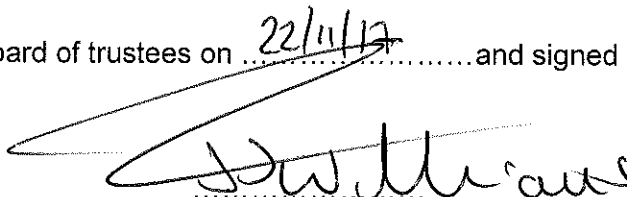
As accounting officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor/reviewer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22/11/17 and signed on its behalf by:


.....
Canon T Woodhouse
Chair of Trustees


.....
J Williams
Accounting Officer

St Osmund's CE Middle School

Statement on Regularity, Propriety and Compliance

For the Year Ended 31 August 2017

Statement on Regularity, Propriety and Compliance

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

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

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



J Williams

Accounting Officer

Date: 22.11.17.

St Osmund's CE Middle School
Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

The trustees (who act as governors of St Osmund's CE Middle School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

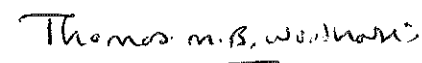
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 ...22/11/17... and signed on its behalf by:


.....
Canon T Woodhouse
Chair of Trustees

St Osmund's CE Middle School

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Osmund's CE Middle School
For the Year Ended 31 August 2017

Opinion

We have audited the financial statements of St Osmund's CE Middle School ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared under the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

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

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

St Osmund's CE Middle School

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Osmund's CE Middle School

For the Year Ended 31 August 2017

Other information

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

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

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 set out on page 20, the trustees (who are also the directors of the charitable company 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 to 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

St Osmund's CE Middle School

Independent Auditor's Report on the Financial Statements to the Board of Trustees of St Osmund's
CE Middle School
For the Year Ended 31 August 2017

Our 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 a Report of the Independent Auditors 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 Report of Independent Auditors.



.....
Joseph Doggrell ACA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date: 23/11/2018

St Osmund's CE Middle School

Independent Reporting Accountant's Assurance Report on Regularity to St Osmund's CE Middle School and the Education and Skills Funding Agency
For the Year Ended 31 August 2017

In accordance with the terms of our engagement letter dated October 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Osmund's CE Middle School during the year to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Osmund's CE Middle School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Osmund's CE Middle School's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 trust's income and expenditure.

St Osmund's CE Middle School

Independent Reporting Accountant's Assurance Report on Regularity to St Osmund's CE Middle School and the Education and Skills Funding Agency
For the Year Ended 31 August 2017

The work undertaken to draw our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2016);
- A review of the governance policies and procedures with specific consideration for financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board of trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

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 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Albert Goodman LLP
Chartered Accountants

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date: 23/11/2017

St Osmund's CE Middle School

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 August 2017

				Restricted		
	Note	Unres- tricted £	Restricted General £	Fixed Asset £	2017 Total £	2016 Total £
Income and endowments from:						
Donations and capital grants	2	18,346	-	12,483	30,829	22,202
Charitable activities:						
Funding for the academy trust's educational operations	5	-	2,516,854	-	2,516,854	2,450,691
Other trading activities	3	193,109	-	-	193,109	201,237
Investments	4	183	-	-	183	300
Total		<u>211,638</u>	<u>2,516,854</u>	<u>12,483</u>	<u>2,740,975</u>	<u>2,674,430</u>
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	204,944	2,707,766	31,250	2,943,960	2,815,798
Total		<u>204,944</u>	<u>2,707,766</u>	<u>31,250</u>	<u>2,943,960</u>	<u>2,815,798</u>
Net income / (expenditure)		6,694	(190,912)	(18,767)	(202,985)	(141,368)
Transfers between funds	14	(27,422)	35,033	(7,611)	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	17	-	268,000	-	268,000	(643,000)
Net movement in funds		(20,728)	112,121	(26,378)	65,015	(784,368)
Reconciliation of funds						
Total funds brought forward		<u>94,124</u>	<u>(1,554,084)</u>	<u>1,110,428</u>	<u>(349,532)</u>	<u>434,836</u>
Total funds carried forward		<u>73,396</u>	<u>(1,441,963)</u>	<u>1,084,050</u>	<u>(284,517)</u>	<u>(349,532)</u>

All of the academy's activities derive from continuing operations during the above two financial periods.

The Statement of Financial Activities for the prior year is shown in Note 19.

Balance Sheet

As at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	1,084,051	1,110,428
Current assets			
Debtors	12	149,647	91,495
Cash at bank and in hand		77,520	213,880
		<u>227,167</u>	<u>305,375</u>
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(96,735)</u>	<u>(153,335)</u>
Net current assets		<u>130,432</u>	<u>152,040</u>
Total assets less current liabilities		1,214,483	1,262,468
Creditors: Amounts falling due after more than one year		-	-
Net assets excluding pension liability		<u>1,214,483</u>	<u>1,262,468</u>
Defined benefit pension scheme liability	17	(1,499,000)	(1,612,000)
Total assets		<u><u>(284,517)</u></u>	<u><u>(349,532)</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	14	1,084,050	1,110,428
Restricted income fund	14	57,037	57,916
Pension reserve	14	<u>(1,499,000)</u>	<u>(1,612,000)</u>
Total restricted funds		(357,913)	(443,656)
Unrestricted income funds	14	73,396	94,124
Total funds		<u><u>(284,517)</u></u>	<u><u>(349,532)</u></u>

The financial statements on pages 26 to 46 were approved by the trustees, and authorised for issue on 22.11.2017 and are signed on their behalf by:

Thomas M.B. Woodhouse

Canon T Woodhouse
Chair of Trustees

St Osmund's CE Middle School
Cash Flow Statement
For the Year Ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	i	(144,153)	75,153
Cash flows from investing activities	ii	7,610	(7,909)
Cash flows from financing activities		183	300
Change in cash and cash equivalents in the reporting period		<u>(136,360)</u>	<u>67,544</u>
Cash and cash equivalents at the 01 September 2016		213,880	146,336
Cash and cash equivalents at the 31 August 2017	iii	<u><u>77,520</u></u>	<u><u>213,880</u></u>

1 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(202,985)	(141,368)
Adjusted for:		
Depreciation charges (note 11)	31,250	36,984
Capital grants from DfE and other capital income	(12,483)	(12,629)
Interest receivable (note 4)	(183)	(300)
Defined benefit pension scheme cost less contributions payable (note 17)	120,000	91,000
Defined benefit pension scheme finance cost (note 17)	35,000	32,000
(Increase)/decrease in debtors	(58,152)	(2,837)
Increase/(decrease) in creditors	(56,600)	59,674
Net cash provided by/(used in) operating activities	<u>(144,153)</u>	<u>62,524</u>

2 Cash flows from investing activities

	2017	2016
	£	£
Purchase of tangible fixed assets	(4,873)	(7,909)
Capital grants from DfE/ESFA	12,483	12,629
Net cash provided by / (used in) investing activities	<u>7,610</u>	<u>4,720</u>

3 Analysis of cash and cash equivalents

	At 31	At 31
	August	August
	2017	2016
	£	£
Cash in hand and at bank	77,520	213,880
	<u>77,520</u>	<u>213,880</u>

1 Statement of Accounting Policies

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. St Osmund's CE Middle School meets the definition of a public benefit entity under 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 **Resources expended**

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 **Tangible fixed assets and depreciation**

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	0.8% on cost
Furniture and equipment	25% reducing balance
Computer equipment	33% straight line
Motor vehicle	25% reducing balance

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

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

1.6 Liabilities

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

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

1.8 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.9 Taxation

The academy trust 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust 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 17, 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 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.

1.11 Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust 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 Education and Skills Funding Agency and Department for Education.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	2017 Total	2016 Total
	£	£	£	£	£
Devolved Formula Capital Grant	-	-	12,483	12,483	12,629
Donations	18,346	-	-	18,346	9,573
	<u>18,346</u>	<u>-</u>	<u>12,483</u>	<u>30,829</u>	<u>22,202</u>

3 Other trading activities

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
Facilities and services income	24,257	-	24,257	27,204
Educational trips and activities	134,426	-	134,426	119,735
Staff absence insurance claims	-	-	-	9,864
Recharges to other schools	29,998	-	29,998	35,142
Other income	4,428	-	4,428	9,252
	<u>193,109</u>	<u>-</u>	<u>193,109</u>	<u>201,197</u>

The expenditure associated with the educational trips income is listed in Note 7.

4 Investment income

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
Short term deposits	183	-	183	300
	<u>183</u>	<u>-</u>	<u>183</u>	<u>300</u>

5 Funding for the academy trust's educational operations

	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,290,844	2,290,844	2,338,578
Other DfE/ESFA grants	-	113,588	113,588	96,094
	<u>-</u>	<u>2,404,432</u>	<u>2,404,432</u>	<u>2,434,672</u>
Other Government grants				
Local authority grants	-	112,422	112,422	16,019
	<u>-</u>	<u>112,422</u>	<u>112,422</u>	<u>16,019</u>
	<u>-</u>	<u>2,516,854</u>	<u>2,516,854</u>	<u>2,450,691</u>

6 Expenditure

	Staff Costs £	Non Pay Premises £	Expenditure Other £	2017 Total £	2016 Total £
Academy's educational operations:					
Direct costs	2,114,036	-	248,141	2,362,177	2,215,426
Allocated support costs	317,675	65,059	199,049	581,783	600,372
	<u>2,431,711</u>	<u>65,059</u>	<u>447,190</u>	<u>2,943,960</u>	<u>2,815,798</u>

Net income/(expenditure) for the period includes:	2017 £	2016 £
Depreciation	31,250	36,984
Fees payable to auditor for:		
Audit	5,350	5,250
Other services	3,075	2,025

7 Charitable activities

	2017 Total £	2016 Total £
Direct costs – educational operations		
Teaching and educational support staff	2,114,036	1,984,735
Technology costs	11,011	6,469
Educational supplies	72,075	65,054
Staff development	7,800	6,460
Educational consultancy	18,122	20,440
Trip costs	132,675	126,825
Other direct costs	6,458	5,443
Support costs – educational operations		
Support staff costs	317,675	303,335
Depreciation	31,250	36,984
Rent and rates	17,353	18,120
Energy costs	44,752	45,525
Insurance	26,008	41,626
Catering	7,054	6,700
Maintenance of premises and equipment	38,354	38,586
Cleaning	2,954	2,944
Other support costs	87,473	92,197
Governance costs	8,910	14,355
	<u>2,943,960</u>	<u>2,815,798</u>

8 Staff

a. Staff costs

Staff costs during the period were:

	2017 Total £	2016 Total £
Wages and salaries	1,817,231	1,735,368
Social security costs	157,988	130,184
Operating costs of defined benefit pension schemes	453,002	410,328
	<u>2,428,221</u>	<u>2,275,880</u>
Supply staff costs	3,490	12,190
	<u>2,431,711</u>	<u>2,288,070</u>

b. Staff numbers

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

	2017 No.	2016 No.
Teachers	36	33
Administration and support	43	43
Management	6	6
	<u>85</u>	<u>82</u>

c. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	<u>1</u>	<u>1</u>

d. Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £376,258 (2016: £371,992).

9 Related party transactions – trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

J Williams, Headteacher and trustee	
Remuneration	£65,000 - £70,000 (2016: £65,000-£70,000)
Employer's pension contributions	£10,000 - £15,000 (2016: £10,000 - £15,000)
R Fitzgerald, staff trustee	
Remuneration	£25,000 - £30,000 (2016: £25,000 - £30,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £nil - £5,000)
C Pugh, staff trustee	
Remuneration	£40,000 - £45,000 (2016: £40,000 - £45,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

During the year ended 31 August 2017 no expenses (2016: £nil) were reimbursed to the trustees.

10 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. The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Hardware £	Motor Vehicles £	Total £
Cost					
At 1 September 2016	1,064,255	201,450	184,098	9,995	1,459,798
Additions	-	4,873	-	-	4,873
At 31 August 2017	<u>1,064,255</u>	<u>206,323</u>	<u>184,098</u>	<u>9,995</u>	<u>1,464,671</u>
Depreciation					
At 1 September 2016	34,974	134,521	176,052	3,823	349,370
Charged in year	8,514	17,276	3,917	1,543	31,250
At 31 August 2017	<u>43,488</u>	<u>151,797</u>	<u>179,969</u>	<u>5,366</u>	<u>380,620</u>
Net book values					
At 31 August 2016	<u>1,029,281</u>	<u>66,929</u>	<u>8,046</u>	<u>6,172</u>	<u>1,110,428</u>
At 31 August 2017	<u>1,020,767</u>	<u>54,526</u>	<u>4,129</u>	<u>4,629</u>	<u>1,084,051</u>

The academy trust occupies land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the academy trust occupies the land and buildings as may be, or may come to be, erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees of the academy trust have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the academy trust.

12 Debtors

	2017	2016
	£	£
Trade debtors	12,910	21,417
VAT recoverable	52,241	21,720
Prepayments and accrued income	84,496	48,358
	<u>149,647</u>	<u>91,495</u>

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	11,863	10,839
Accruals and deferred income	8,084	65,532
Taxation and social security	36,591	39,468
Other creditors	40,197	37,496
	<u>96,735</u>	<u>153,335</u>

Deferred income

	2017	2016
	£	£
Deferred income at 1 September 2016	47,383	4,240
Released from previous years	(47,383)	(4,240)
Resources deferred in the year	-	47,383
Deferred income at 31 August 2017	<u>-</u>	<u>47,383</u>

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14 Funds

	Balance At 1 September 2016 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance At 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	36,516	2,290,844	(2,354,782)	27,422	-
Pupil Premium	7,181	104,083	(97,186)	-	14,078
Other DfE/ESFA grants	14,219	9,505	(17,115)	7,611	14,220
Other local authority grants	-	112,422	(83,683)	-	28,739
Pension reserve	(1,612,000)	-	(155,000)	268,000	(1,499,000)
	<u>(1,554,084)</u>	<u>2,516,854</u>	<u>(2,707,766)</u>	<u>303,033</u>	<u>(1,441,963)</u>
Restricted fixed asset funds					
Inherited fixed assets	949,617	-	(16,974)	-	932,643
DfE/ESFA capital grants	117,368	12,483	(3,926)	(7,611)	118,314
Capital expenditure from GAG	27,736	-	(8,839)	-	18,897
Capital expenditure from other restricted funds	15,707	-	(1,511)	-	14,196
	<u>1,110,428</u>	<u>12,483</u>	<u>(31,250)</u>	<u>(7,611)</u>	<u>1,084,050</u>
Total restricted funds	<u>(443,656)</u>	<u>2,529,337</u>	<u>(2,739,016)</u>	<u>295,422</u>	<u>(357,913)</u>
Unrestricted funds					
General	94,124	211,638	(204,944)	(27,422)	73,396
	<u>94,124</u>	<u>211,638</u>	<u>(204,944)</u>	<u>(27,422)</u>	<u>73,396</u>
Total funds	<u>(349,532)</u>	<u>2,740,975</u>	<u>(2,943,960)</u>	<u>268,000</u>	<u>(284,517)</u>

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

General Annual Grant (GAG) – Funding from the Education and Skills Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants – A grant from the Education and Skills Funding Agency to support non-staff insurance costs, provide bursaries and support pupils from low income families.

Local authority grants – This is funding from Dorset County Council to support various educational activities.

Pension Reserve – This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the year.

Inherited fixed assets - Represents the land and equipment donated to the school from the County Council on conversion to an academy.

DfE/ESFA capital grants – Represents the Devolved Formula Capital Grant provided to maintain and improve buildings and facilities and other capital grants received from Education and Skills Funding Agency towards specific capital projects.

Capital expenditure from GAG – This represents the amount of the General Annual Grant allocated towards capital expenditure during the year and its associated depreciation.

Capital expenditure from other restricted funds – This received funding towards supporting fixed asset expenditure

15 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	1,084,050	1,084,050
Current assets	73,396	153,771	-	227,167
Current liabilities	-	(96,734)	-	(96,734)
Pension scheme liability	-	(1,499,000)	-	(1,499,000)
Total net assets	<u>73,396</u>	<u>(1,441,963)</u>	<u>1,084,050</u>	<u>(284,517)</u>

16 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 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 cease to be a member.

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013. Contributions amounting to £36,536 were payable to the schemes at 31 August 2017 (2016: £36,529) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £176,000 (2016: £177,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £109,000 (2016: £109,000), of which employer's contributions totalled £94,000 (2016: £82,000) and employees' contributions totalled £30,000 (2016: £27,000). The agreed contribution rates for future years are 18.8% per cent for employers and 6.5% per cent for employees.

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

Principal Actuarial Assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.20%	3.80%
Rate of increase for pensions in payment / inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.30%
Inflation assumption (RPI)	3.60%	3.20%

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Disclosure item	£000's +0.1%	£000's 0.0%	£000's -0.1%
Adjustment to discount rate			
Present value of total obligation	2,473	2,535	2,598
Projected service cost	222	228	234
Adjustment to long term salary increase			
Present value of total obligation	2,544	2,535	2,526
Projected service cost	228	228	228
Adjustment to pension increases and deferred revaluation			
Present value of total obligation	2,588	2,535	2,482
Projected service cost	234	228	222
Adjustment to mortality age rating assumption			
Present value of total obligation	2,620	2,535	2,452
Projected service cost	235	228	221

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.9	22.9
Females	26.0	25.3
<i>Retiring in 20 years</i>		
Males	26.2	25.2
Females	28.3	27.7

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value as at 31 August 2017	Fair value as at 31 August 2016
Equities	571,000	532,000
Gilts	138,000	101,000
Bonds	117,000	118,000
Property	91,000	95,000
Cash	28,000	10,000
Other	91,000	67,000
Total market value of assets	1,036,000	923,000

The actual return on scheme assets was £138,000.

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	(213,000)	(140,000)
Net interest cost	(35,000)	(32,000)
Total operating charge	(248,000)	(172,000)

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

	2017 £	2016 £
At 1 September	(2,535,000)	(1,585,000)
Current service cost	(213,000)	(140,000)
Interest cost	(56,000)	(64,000)
Employee contributions	(30,000)	(27,000)
Actuarial gains/ (losses)	271,000	(726,000)
Benefits paid	28,000	7,000
At 31 August	(2,535,000)	(2,535,000)

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

	2017	2016
	£	£
At 1 September	923,000	739,000
Interest on assets	20,000	31,000
Employer contributions	94,000	82,000
Employee contributions	30,000	27,000
Actuarial (losses) /gains	(3,000)	51,000
Benefits paid	(28,000)	(7,000)
	<hr/>	<hr/>
At 31 August	1,036,000	923,000
	<hr/>	<hr/>

18 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

19 Prior year Statement of Financial Activities

	Note	Unres- tricted £	Restricted General £	Restricted Fixed Asset £	2017 Total £
Income and endowments from:					
Donations and capital grants		9,573	-	12,629	22,202
Charitable activities:					
Funding for the academy trust's educational operations		-	2,450,691	-	2,450,691
Other trading activities		201,237	-	-	201,237
Investments		300	-	-	300
Total		<u>211,110</u>	<u>2,450,691</u>	<u>12,629</u>	<u>2,674,430</u>
Expenditure on:					
Charitable activities:					
Academy trust educational operations		210,048	2,568,766	36,984	2,815,798
Total		<u>210,048</u>	<u>2,568,766</u>	<u>36,984</u>	<u>2,815,798</u>
Net income / (expenditure)		1,062	(118,075)	(24,355)	(141,368)
Transfers between funds		-	4,720	(4,720)	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes		-	(643,000)	-	(643,000)
Net movement in funds		1,062	(756,355)	(29,075)	(784,368)
Reconciliation of funds					
Total funds brought forward		93,062	(797,729)	1,139,503	434,836
Total funds carried forward		<u>94,124</u>	<u>(1,554,084)</u>	<u>1,110,428</u>	<u>(349,532)</u>

