

**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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<b>Members</b>	J Glassborow P Hobby (resigned 3 October 2017) S Tranter (appointed chair of members 3 October 2017) Bournemouth Septenary Trust V Morcombe J Bingham (representing Trustees)
<b>Trustees</b>	J Bingham, Chair of Trustees N Tarchetti, Head Teacher T Watts, Co Vice-Chair D Sears (resigned 1 October 2017) R Hucklesby P Gaston H Uren, Co Vice-Chair R Scott L Brown (resigned 8 June 2018) M Hames (resigned 8 March 2018) M Long R Taylor X Cochrane (appointed 11 June 2018) W Wherity (appointed 7 May 2018)
<b>Company registered number</b>	09903139
<b>Company name</b>	Winton Primary School
<b>Principal and registered office</b>	Oswald Road Bournemouth Dorset BH9 2TG
<b>Accounting officer</b>	N Tarchetti
<b>Senior management team</b>	N Tarchetti, Head Teacher K James, Head of School H Brewer, Assistant Head L Houlston, Assistant Head E Lidster, Assistant Head L Perrett, Assistant Head (Maternity cover until 31 August 2018)
<b>Independent auditors</b>	Griffin Chartered Accountants 165 High Street Honiton Devon EX14 1LQ
<b>Bankers</b>	Lloyds Bank PLC 43-47 Old Christchurch Road Bournemouth BH1 1ED

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

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy operates as a primary school for pupils aged 5 to 11 serving a catchment area in Bournemouth. It has a pupil capacity of 840 and had a roll of 805 in the October 2017 school census.

**Structure, governance and management**

**a. CONSTITUTION**

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

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

The Trustees of Winton Primary School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Winton Primary School.

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

**b. 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.

**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Winton Primary ensures all new Trustees have an induction meeting with the Headteacher and Chair of Directors. They are assigned a fellow trustee for their first year in post to provide a supportive colleague to complete the induction process. Ongoing training is provided through our Service Level Agreement with Poole Council and our ability to access Bournemouth Trustee training too.

**e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The posts of all Senior Leaders are set in line with School Teacher's Pay and Conditions (STPCD) and appropriate to the size and group of the school. The Business Manager salary is determined by the Bournemouth Borough Council BG07 system for determining appropriate recompense for the job description. The Pay Committee reviews these levels and the appraisal of all staff on an annual basis.

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

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**f. TRADE UNION FACILITY TIME**

**Relevant union officials**

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£	
Total cost of facility time	190	
Total pay bill	34,048	
Percentage of total pay bill spent on facility time	0.56	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	65.80	%
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**g. ORGANISATIONAL STRUCTURE**

The Board of Trustees has two main sub-committees; the Resources Committee and the School Improvement Committee, which have delegated powers for monitoring the budget, approving best value and payments which require governor approval. The two main sub-committees also monitor the school improvement processes, receive staffing reports and play a role in the appointment of permanent teaching staff. Trustee approval is also required for all redundancy procedures. The Headteacher is the accounting officer for Winton Primary School.

The Trustees are responsible for setting the policies and procedures which control the operation of the academy. The day-to-day running of the academy is delegated to the Senior Leadership Team. During this academic year, the Senior Leadership Team comprised of: the Headteacher, the Head of School and three Assistant Headteachers. They are responsible for running the academy in line with the policies set by the Trustees. Financial responsibility is delegated to the Headteacher and School Business Manager in line with the levels set in the financial handbook. Spending above agreed limits is referred to the Trustees.

**h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Winton Primary School is a member of the Bournemouth Septenary Trust (BST), which is an Umbrella Trust that unites seven autonomous academies. It is an effective collaboration that is focused on improving the educational provision for the pupils served through the accountability and challenge of Academy performance and financial processes, continuous Academy improvement and raising pupil outcomes, joint professional development bespoke to the priorities of the individual Academies and the securing of economies of scale through strategically shared staff appointments, contracting and procurement based on best-value principles.

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

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Four of the schools in the BST are Community Primary schools and three are Church Primary schools. All are within the North and Central areas of Bournemouth. The Septenary Trust reflects the full diversity of ethnic, social, economic and deprivation factors found across the Borough of Bournemouth.

**The aims of the Trust are to:**

- Promote and secure outstanding Academy improvement so that every child in the trust can attend an outstanding Academy as judged by Ofsted in terms of the Academy's outcomes for children and learners, their Early years provision, the quality of teaching learning and assessment, the personal development, behaviour and welfare of learners and the effectiveness of leadership and management.
- Innovate curriculum provision and pedagogy based on research and best practice that will raise achievements for all children and learners.
- Provide professional challenge and accountability in all of the key performance indicators including individual Academy's outcomes for children and learners, their Early Years provision, the quality of teaching learning and assessment, the personal development, behaviour and welfare of learners and the effectiveness of leadership and management.

Bournemouth Septenary Trust is committed to the core values of excellence, equity and effectiveness, promoting high levels of engagement, aspiration, achievement and enterprise across all seven schools.

**It's seven guiding principles are:**

1. The success and wellbeing of the children educated within the Bournemouth Septenary Trust.
2. Professional challenge, support and development.
3. Trust between schools in confidentiality, openness and professionalism.
4. Ensuring best value for all the member schools.
5. To focus on raising standards and securing school improvements
6. Through collaboration to develop effective leaders and at all levels.
7. The Trust will seek opportunities for research and development, we aim to be innovative in all areas of school life.

**i. TRUSTEES' INDEMNITIES**

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency (ESFA).

**Objectives and Activities**

**a. OBJECTS AND AIMS**

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy");
- (b) to promote for the benefit of the inhabitants of the areas in which the Academy is situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy Trust aims to inspire, motivate and challenge all pupils and ensure they become confident, caring, respected citizens and lifelong learners.

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

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**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The full detail of what the academy aimed to achieve in 2017-18 is detailed in the School Development Plan for that period. However, the main aims were to increase progress and attainment in core subjects across the school. To achieve this aim the school worked to improve the quality of teaching and learning, the quality of the curriculum and the engagement of all pupils in exciting learning.

**c. PUBLIC BENEFIT**

Winton Primary School is at the centre of its community and works for the public benefit in keeping with the Charity Commission's guidance on public benefit. It is a primary school within the Borough of Bournemouth and currently is providing free education at this level for over 800 local children.

The school also lets out its premises for use by community groups where this can be accommodated within the requirements of the school.

**Achievements and performance**

New national curriculum assessments and tests showed the school performed better than other schools nationally and the upward trend in results that has been seen for the last three years continued.

**a. KEY PERFORMANCE INDICATORS**

This period continues to see the school judged good by Ofsted and achieving results at least in line with national averages and considerably above in many areas. The rise in pupil roll, reducing surplus capacity, has been more significant than ever before during this period. We begin the new academic year with 815 of 840 places occupied as oppose to 50 surplus places at the start of the period.

The school has a full complement of teaching and support staff and has easily filled any vacancies arising.

**Financial review**

Most of the academy's income is obtained from the Department for Education (DfE) via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful economic life of the assets concerned, as defined in the academy's accounting policies.

During the 12 months to 31 August 2018, the academy received total revenue income of £3,293,600 and incurred total expenditure of £3,349,533. As at 31 August 2017 the funds brought forward were £392,860. The funds carried forward as unspent were £336,937 of unrestricted funds, and £Nil of unspent GAG. Therefore, there was a deficit in the year of £55,933. This was after using £209,045 of reserves as a contribution towards capital works.

The academy has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the statement of Financial Activity with details in Note 20.

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**TRUSTEES' REPORT (continued)**  
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Key financial policies adopted in the year include the Financial Procedures and Scheme of Delegation, which sets out the framework for financial management, including financial responsibilities of the board, headteacher, senior leadership team and other staff, as well as delegated authority for spending. Other policies reviewed and updated where necessary included Reserves Policy, Depreciation Policy and Insurance.

**a. GOING CONCERN**

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

**b. PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control. The Academy has introduced a Risk Register that is reviewed by the relevant committee on an ongoing basis.

The principal risks that the organisation faces are highlighted in the risk register and in the planning for the coming year. The Trustees have built a reserve over time and this is factored into budget and other planning. This will reduce the risk to the academy from significant unexpected staffing costs or changes in government funding or grants.

**c. RESERVES POLICY**

It is the School's view that there should be reserves to support it to achieve its planned outcomes for today's children and not to hold reserves unnecessarily. The Governing Body reviews the reserve levels of the Academy annually. The Governing Body requires the Headteacher and Business Manager to work towards a reserve of one month's staffing cost. This, they believe, will give the school a working capital buffer and the ability to make decisions that meet the outcomes for the pupils both in the short term and longer term. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governing Body takes into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governing Body has determined that the appropriate level of free cash reserves should be approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or to maintain staffing levels in the event of a reduction in funding.

The academy's current level of free reserves is £336,937 of unrestricted funds, £nil of unspent GAG and other grants.



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**TRUSTEES' REPORT (continued)**  
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**Fundraising**

In order to support its educational goals and to supplement its grant funding the school does undertake a number of fundraising activities through the year. These may be in the form of basic collections or may be invitations to contribute in one way or another to support a particular activity. Additionally, through the year there will be a number of purely charitable activities, examples of which include Children in Need and Red Nose Day.

Paramount to the schools fundraising activities are the underlying tenets of ensuring that any initiatives are carried out with propriety and integrity. Winton Primary would not tolerate, support, encourage or welcome any activity which was unreasonably intrusive or persistent or in any way detrimental and is mindful of the provisions of the Charities (Protection and Social Investment) Act 1916.

Winton Primary does not use professional fundraisers, however, when necessary it will utilise the consultancy skills of professionals in co-ordinating and advising on projects specifically for grant funding CIF funding.

The school has not had any complaints in respect of its fundraising activities, but should any arise, it has a clearly defined complaints process to follow.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The school's aims and objectives in terms of providing the best educational experience will continue to be at the forefront of all the school does. Its priorities are those set down in the school development plan and focus on helping children to achieve their fullest potential.

**FUNDS HELD AS CUSTODIAN**

No funds are held as custodian on behalf of others.

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

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**Strategic report**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

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

**AUDITORS**

The auditors, Griffin, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on its behalf by:



**J Bingham**  
**Chair of Trustees**

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**WINTON PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Winton Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Bingham, Chair of Trustees	5	5
N Tarchetti, Head Teacher	5	5
T Watts, Co Vice-Chair	5	5
D Sears	0	1
R Hucklesby	5	5
P Gaston	5	5
H Uren, Co Vice-Chair	5	5
R Scott	5	5
L Brown	2	4
M Hames	2	3
M Long	4	5
R Taylor	4	5
X Cochrane	0	1
W Wherity	2	2

The Board has actively considered those seeking to become new Governors with a particular emphasis on the skills the individual can add to the collective skills matrix. For example previously, a parent governor has been appointed with Strategic Planning and Estate Management skills which it was held complemented the existing skill set of members.

**The coverage of its work:**

The range of the school's Governing Board can be summarised in its list of committees -

- School Improvement Committee
- Resources Committee – Finance, Building and Maintenance and Personnel
- Staff Discipline Committee
- Head Teacher Performance Review Panel
- Pupil Discipline Committee
- (Staff) Dismissal Appeals Committee
- Staff Dismissal Committee
- Complaints Committee
- Pay Review Committee

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**GOVERNANCE STATEMENT (continued)**

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The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board

- Skills audit
- Succession planning
- Clerking competency framework
- The Board will be commencing a programme of full annual governance reviews of performance from 2018/19 however, at the time of writing the Chair is carrying out one to one performance reviews with each governor to identify best practice and potential actions

**Information about the quality of the data used by the board, and why the board finds it acceptable**

Data provided to the Board comes from a range of sources and is made available in a digital format accessible to all members.

Since becoming an academy at the beginning of 2016, the school has been using PS Financials software for its financial management and reporting, (supported at an operational level by SBS online to monitor salaries). The school has been supported by external consultants in both the selection and implementation of these packages and as PS Financials is also acknowledged as a well-established management software provider the School was confident that it had purchased an effective accounting, purchasing, budgeting and reporting package. A new version was released in 2017 and the school intends to continue to improve the reports produced and the range of data provided to the Board.

Pupil data is presented to the board by the school using its tracking and assessment systems. The board ensures that it is able to understand and question this data to ensure that it is useful to the board. The board also purchases an SLA with Bournemouth Borough Council for the provision of pupil data and this ensures that the information is consistent with other local schools and that the school's own data can be cross-referenced against an external provider which helps the board in determining that the data it uses to challenge the school is acceptable. Further credence is obtained by purchasing a service from the Septenary Trust and an external school improvement consultant who carry out review and analysis of data and other school improvement functions and challenge the school providing written reports to the board as a result of this process.

The school attendance data is produced from its Management Information System (MIS). Part of the analysis carried out by the board is the accessibility and usefulness of the data provided and this is fed back to the data officer who amends reports or information provided in line with the feedback from the board. An external Education Social Worker is purchased through an SLA with Bournemouth Borough Council to ensure that the board are receiving information that is reliable and consistent with good practice in the area of attendance.

**The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:**

- Provide information and guidance to the Governing Body on all financial matters.
- Prepare and review statements of financial policy in both the short and longer term for the Governing Body's consideration.
- Prepare and present budget options for the Governing Body's consideration and adoption for LA delegated funds, Standards Fund monies, standards Grants and any other income or carry forward sums, taking account of priorities in the school improvement plan.
- Monitor budget spending using information provided by the Head teacher and finance officer, ensuring that spending remains within limits prescribed by the Governing Body.
- Report the financial situation to the Governing Body each term, identifying options and making recommendations.
- Propose for consideration and decision by the Governing Body an appropriate level of delegation to the Head teacher for the day to day financial management of the school
- To consider and authorise virements between budget headings within agreed limits.

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**GOVERNANCE STATEMENT (continued)**

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- Monitor income and expenditure for all public funds for which the school is responsible, reporting as necessary to the Governing Body.
- Respond appropriately to audit report recommendations on behalf of the Governing Body.
- Ensure all non-public funds are audited and the results presented to the Governing Body.
- Ensure that the principles of best value are applied to services purchased with delegated monies.
- Ensure that the financial administration of the school conforms to the financial regulations and procedures of the ESFA and Academies Financial Handbook.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Hucklesby (Chair)	6	6
M Hames	4	4
N Tarchetti	6	6
J Bingham	6	6
M Long	4	6
X Cochrane	0	0
W Wherity	1	1
R Taylor	6	6

The academy considers annually its governance arrangements to ensure the effectiveness of the board of trustees. The review includes consideration of the composition of the board, membership of committees and their terms of reference. It also looks to identify any skill gaps where the recruitment of new trustees would be beneficial.

#### **REVIEW OF VALUE FOR MONEY**

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

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

1. The academy continues to host an after school / breakfast club / holiday club which provides a valuable community resource for the use of parents of children at the school and elsewhere. This allows a wider range of parents to be able to place their children at the school. Not only is a saving made in the provision of the facility as it comes at no cost, being independently run, but as a nominal rental is charged by the school it is also income generating. Other lettings provide local people with Zumba classes and other activities.
2. Consortium purchasing and network agreements – the school benefits from purchasing much of its stationery and resources through a south west based consortium and achieving a minimum 4% reduction on advertised prices and a substantive cashback credit. The school has also utilised the network arrangement operated by the Crescent Purchasing Consortium to obtain initial free advice and to tender and contract its specialist (RPA+) insurance requirements.
3. The school retains the services of Zenergi, an energy broker to act on its behalf in the tendering, procurement and contract management in respect of its electricity and gas supplies. It is difficult following Brexit to be entirely confident of how energy markets will evolve, but in using an energy professional approved by the NASBM, LASBM and ASCL it is hoped that the school can negotiate the best possible deals.

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**GOVERNANCE STATEMENT (continued)**

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**Future focus of achieving value for money**

The school continues to seek out new opportunities to make its funding go further. For example –

1. The school has signed up to being part of the pilot of the Government backed School's Buying Hub – at the time of writing the hub is looking at framework based purchasing of water and sewerage services and we are in the initial stages of investigating broadband options through this initiative. During the year coming year it is likely that as contracts come to an end they will, as a matter of course, be referred to the hub.
2. The Buying Hub is a free service which is described as a key element of the Department for Education's "Schools' Buying Strategy" designed to help schools save £1 billion nationally by 2020. It is currently being piloted in the South West and North West of England only. The initiative is intended to provide schools, with procurement advice and guidance and support with complex procurement.
3. Obtaining grant funding from sources such as the ESFA Condition Improvement Fund to meet the costs of essential priority building fabric repairs and replacement
4. Obtaining funding from other sources such as charitable grants from larger companies offering community funding. An example from previous years would be Tesco "Bags for Life". This will allow the school to continue to reinforce the curriculum and extra-curricular activities that would not otherwise have been possible
5. With overnight and ongoing financial investment (savings) products through its banking provider.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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**GOVERNANCE STATEMENT (continued)**

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The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Griffin, the external auditors, to perform additional checks.

The reviewer' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Purchase and cash receipts
- Payroll
- Income and cash receipts
- Fixed assets - acquisition and disposal
- Financial budgeting and monitoring
- Regularity
- Governance
- Risk management

On a semi-annual basis, the external auditors report to the board of trustees through the Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor delivered their schedule of work as intended and a plan is in place to address weaknesses and ensure continuous improvement.

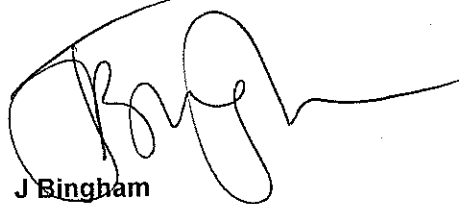
**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:



**J Bingham**  
Chair of Trustees



**N Tarchetti**  
Accounting Officer

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Winton Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**N Tarchetti**  
**Accounting Officer**

Date: 5 December 2018



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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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

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

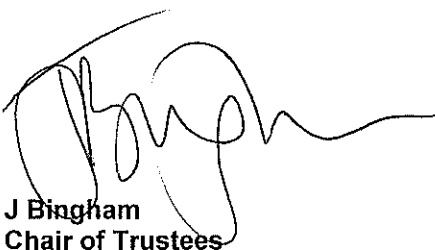
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:



**J Bingham**  
**Chair of Trustees**

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WINTON  
PRIMARY SCHOOL**

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**OPINION**

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

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WINTON  
PRIMARY SCHOOL**

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

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

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WINTON  
PRIMARY SCHOOL**

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

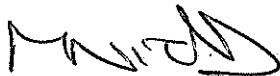
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

**Griffin**

Chartered Accountants

165 High Street

Honiton

Devon

EX14 1LQ

5 December 2018

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WINTON  
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 24 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Winton Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Winton Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Winton Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Winton Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WINTON PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Winton Primary School's funding agreement with the Secretary of State for Education dated 1 February 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

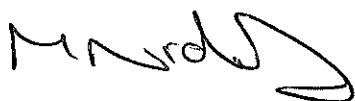
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WINTON  
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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



Misty Nickells FCA

**Griffin**

Chartered Accountants

165 High Street  
Honiton  
Devon  
EX14 1LQ

5 December 2018

**WINTON PRIMARY SCHOOL**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	63,450	-	12,741	76,191	57,450
Charitable activities	3	25,788	3,133,082	-	3,158,870	3,023,184
Other trading activities	4	71,280	-	-	71,280	24,076
Investments	5	-	-	-	-	327
<b>TOTAL INCOME</b>		<b>160,518</b>	<b>3,133,082</b>	<b>12,741</b>	<b>3,306,341</b>	<b>3,105,037</b>
<b>EXPENDITURE ON:</b>						
Raising funds		60,891	-	-	60,891	34,229
Charitable activities		57,425	3,194,172	197,578	3,449,175	3,221,360
<b>TOTAL EXPENDITURE</b>	6	<b>118,316</b>	<b>3,194,172</b>	<b>197,578</b>	<b>3,510,066</b>	<b>3,255,589</b>
<b>NET BEFORE TRANSFERS</b>		<b>42,202</b>	<b>(61,090)</b>	<b>(184,837)</b>	<b>(203,725)</b>	<b>(150,552)</b>
Transfers between Funds	16	-	(209,045)	209,045	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>42,202</b>	<b>(270,135)</b>	<b>24,208</b>	<b>(203,725)</b>	<b>(150,552)</b>
Actuarial gains on defined benefit pension schemes	20	-	178,000	-	178,000	187,000
<b>NET MOVEMENT IN FUNDS</b>		<b>42,202</b>	<b>(92,135)</b>	<b>24,208</b>	<b>(25,725)</b>	<b>36,448</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		294,735	(730,865)	7,588,685	7,152,555	7,116,107
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>336,937</b>	<b>(823,000)</b>	<b>7,612,893</b>	<b>7,126,830</b>	<b>7,152,555</b>

**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09903139**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13		7,612,893		7,578,685
<b>CURRENT ASSETS</b>					
Debtors	14	107,170		71,925	
Cash at bank and in hand		488,771		492,612	
			<u>595,941</u>		<u>564,537</u>
<b>CREDITORS:</b> amounts falling due within one year	15	<u>(259,004)</u>		<u>(161,667)</u>	
<b>NET CURRENT ASSETS</b>			<u>336,937</u>		<u>402,870</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,949,830</u>		<u>7,981,555</u>
Defined benefit pension scheme liability	20	(823,000)		(829,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>7,126,830</u></u>		<u><u>7,152,555</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	-		98,135	
Restricted fixed asset funds	16	7,612,893		7,588,685	
Restricted income funds excluding pension liability		<u>7,612,893</u>		<u>7,686,820</u>	
Pension reserve		<u>(823,000)</u>		<u>(829,000)</u>	
Total restricted income funds			<u>6,789,893</u>		<u>6,857,820</u>
Unrestricted income funds	16		<u>336,937</u>		<u>294,735</u>
<b>TOTAL FUNDS</b>			<u><u>7,126,830</u></u>		<u><u>7,152,555</u></u>

The financial statements on pages 21 to 46 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

  
**J Bingham**  
**Chair of Trustees**



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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>215,204</u>	<u>182,677</u>
<b>Cash flows from investing activities:</b>			
Interest from investments		-	327
Purchase of tangible fixed assets		<b>(231,786)</b>	<b>(43,353)</b>
Capital grants from DfE Group		<u>12,741</u>	<u>22,393</u>
<b>Net cash used in investing activities</b>		<u><b>(219,045)</b></u>	<u><b>(20,633)</b></u>
<b>Change in cash and cash equivalents in the year</b>		<b>(3,841)</b>	162,044
Cash and cash equivalents brought forward		<u>492,612</u>	<u>330,568</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>488,771</u></u>	<u><u>492,612</u></u>

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Winton Primary School constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	-	125 years straight line
Leasehold property	-	50 years straight line
Furniture and fixtures	-	15% straight line
Computer equipment	-	33% straight line

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

**1.7 Operating leases**

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

**1.8 Debtors**

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

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

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

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Taxation**

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

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**WINTON PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted Fixed Asset funds 2018 £</b>	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
Donations	63,450	-	-	63,450	35,057
Capital Grants	-	-	12,741	12,741	22,393
	<b>63,450</b>	<b>-</b>	<b>12,741</b>	<b>76,191</b>	<b>57,450</b>
<i>Total 2017</i>	<i>35,057</i>	<i>-</i>	<i>22,393</i>	<i>57,450</i>	

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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	2,589,390	2,589,390	2,471,420
Other DfE/ESFA Grants	-	137,923	137,923	124,019
Pupil Premium	-	275,047	275,047	277,207
	<u>-</u>	<u>3,002,360</u>	<u>3,002,360</u>	<u>2,872,646</u>
<b>Other government grants</b>				
Special Educational Needs	-	52,418	52,418	44,441
Other Local authority grants	-	78,304	78,304	79,302
	<u>-</u>	<u>130,722</u>	<u>130,722</u>	<u>123,743</u>
<b>Other funding</b>				
Other income from the academy trust's educational operations	25,788	-	25,788	21,795
Other grants	-	-	-	5,000
	<u>25,788</u>	<u>-</u>	<u>25,788</u>	<u>26,795</u>
	<u>25,788</u>	<u>3,133,082</u>	<u>3,158,870</u>	<u>3,023,184</u>
<i>Total 2017</i>	<u>21,795</u>	<u>3,001,389</u>	<u>3,023,184</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	9,393	-	9,393	9,837
Other	61,887	-	61,887	14,239
	<u>71,280</u>	<u>-</u>	<u>71,280</u>	<u>24,076</u>
<i>Total 2017</i>	<u>24,076</u>	<u>-</u>	<u>24,076</u>	



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**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	-	-	-	327
<i>Total 2017</i>	<u>327</u>	<u>-</u>	<u>327</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	60,631	60,631	33,869
Expenditure on fundraising trading	-	-	260	260	360
Education:					
Direct costs	2,371,320	134,598	120,533	2,626,451	2,448,821
Support costs	398,400	150,094	274,230	822,724	772,539
	<u>2,769,720</u>	<u>284,692</u>	<u>455,654</u>	<u>3,510,066</u>	<u>3,255,589</u>
<i>Total 2017</i>	<u>2,583,427</u>	<u>231,865</u>	<u>440,297</u>	<u>3,255,589</u>	

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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	1,853,681	1,725,143
National insurance	159,414	149,718
Pension cost	293,881	265,953
Depreciation	178,512	167,283
Educational supplies	65,078	58,826
Staff development	11,342	12,731
Other costs	20,615	29,365
Supply teachers	34,344	22,217
Recruitment and other staff costs	5,566	1,650
Technology costs	4,018	15,935
	<u>2,626,451</u>	<u>2,448,821</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	200,027	234,824
National insurance	12,268	11,329
Pension cost	186,105	174,243
Depreciation	19,066	21,502
Pension income	20,000	18,000
Other costs	1,105	509
Maintenance of premises and equipment	30,805	27,507
Cleaning	52,411	16,555
Rent and rates	29,848	24,016
Heat and light	22,654	18,543
Insurance	16,110	14,970
Security and transport	1,496	1,608
Catering	129,278	124,570
Technology costs	28,408	15,246
Office overheads	37,906	37,655
Legal and professional	29,883	25,077
Bank interest and charges	-	94
Governance costs	5,354	6,291
	<u>822,724</u>	<u>772,539</u>
	<u><u>3,449,175</u></u>	<u><u>3,221,360</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the academy	197,578	188,568
Auditors' remuneration - audit	2,800	2,800
Auditors' remuneration - other services	2,554	2,951
Operating lease rentals	16,659	16,977
	<u>199,591</u>	<u>211,296</u>

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,053,708	1,959,967
Social security costs	171,682	161,047
Operating costs of defined benefit pension schemes	479,986	440,196
	2,705,376	2,561,210
Agency staff costs	34,344	22,217
Staff restructuring costs	30,000	-
	2,769,720	2,583,427

Staff restructuring costs comprise:

Severance payments	30,000	-
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**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £30,000.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	78	70
Administration and support	26	29
Management	6	6
	110	105
	110	105

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	62	64
Administration and support	10	14
Management	5	6
	77	84
	77	84

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>
In the band £80,001 - £90,000	<b>1</b>	<b>1</b>

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £315,822 (2017: £340,977).

**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
N Tarchetti	Remuneration	<b>80,000-85,000</b>	<i>80,000-85,000</i>
	Pension contributions paid	<b>10,000-15,000</b>	<i>15,000-20,000</i>
L Brown	Remuneration	<b>35,000-40,000</b>	<i>40,000-45,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>
X Cochrane	Remuneration	<b>20,000-25,000</b>	
	Pension contributions paid	<b>0-5,000</b>	

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to no Trustees).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. OTHER FINANCE INCOME**

	2018 £	2017 £
Interest income on pension scheme assets	16,000	11,000
Interest on pension scheme liabilities	(36,000)	(29,000)
	(20,000)	(18,000)

**13. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2017	7,810,000	46,316	89,131	7,945,447
Additions	186,479	26,995	18,312	231,786
At 31 August 2018	7,996,479	73,311	107,443	8,177,233
<b>Depreciation</b>				
At 1 September 2017	290,488	13,125	63,149	366,762
Charge for the year	148,974	13,466	35,138	197,578
At 31 August 2018	439,462	26,591	98,287	564,340
<b>Net book value</b>				
At 31 August 2018	7,557,017	46,720	9,156	7,612,893
At 31 August 2017	7,519,512	33,191	25,982	7,578,685

**14. DEBTORS**

	2018 £	2017 £
Trade debtors	8,373	4,652
VAT recoverable	37,023	8,041
Other debtors	10	-
Prepayments and accrued income	61,764	59,232
	107,170	71,925

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**15. CREDITORS: Amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	20,507	10,021
Other taxation and social security	42,096	43,694
Other creditors	39,677	38,451
Accruals and deferred income	156,724	69,501
	259,004	161,667
	259,004	161,667
	2018	2017
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2017	56,210	59,578
Resources deferred during the year	76,695	56,210
Amounts released from previous years	(56,210)	(59,578)
	76,695	56,210
	76,695	56,210

At the balance sheet date the academy was holding funds received in advance of the 2018/19 financial year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	294,735	160,518	(118,316)	-	-	336,937
<b>Restricted funds</b>						
General Annual Grant (GAG)	96,855	2,589,390	(2,477,200)	(209,045)	-	-
Pupil Premium	-	275,047	(275,047)	-	-	-
Special educational needs funding	-	52,418	(52,418)	-	-	-
Other grants	1,280	216,227	(217,507)	-	-	-
Pension reserve	(829,000)	-	(172,000)	-	178,000	(823,000)
	<u>(730,865)</u>	<u>3,133,082</u>	<u>(3,194,172)</u>	<u>(209,045)</u>	<u>178,000</u>	<u>(823,000)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	7,535,519	-	(156,470)	-	-	7,379,049
DfE/ESFA capital grants	17,306	12,741	(7,113)	-	-	22,934
Capital expenditure from GAG	25,860	-	(31,995)	209,045	-	202,910
National Lottery grant	10,000	-	(2,000)	-	-	8,000
	<u>7,588,685</u>	<u>12,741</u>	<u>(197,578)</u>	<u>209,045</u>	<u>-</u>	<u>7,612,893</u>
Total restricted funds	<u>6,857,820</u>	<u>3,145,823</u>	<u>(3,391,750)</u>	<u>-</u>	<u>178,000</u>	<u>6,789,893</u>
Total of funds	<u><u>7,152,555</u></u>	<u><u>3,306,341</u></u>	<u><u>(3,510,066)</u></u>	<u><u>-</u></u>	<u><u>178,000</u></u>	<u><u>7,126,830</u></u>



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

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

**General Annual Grant (GAG)**

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

**Pupil Premium**

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

**Higher Needs funding**

Income received from the Local Authority to fund further support for pupils with additional needs.

**Other revenue grants include:**

Universal Infant Free School Meals income provided by the ESFA to fund a free school meal to every pupil in reception and years 1 and 2.

Growth Funding income received from the Local Authority, to support schools that provide additional school places in order to meet basic need within the authority.

Foyle Foundation grant, provided for the purchase of educational books.

**Pension Reserve**

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

**Fixed assets transferred on conversion**

This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

**DfE/ESFA capital grants**

Devolved Formula Capital funding from the ESFA to cover the maintenance and purchase of the academy's assets.

**Big Lottery fund grant**

Grant from the Big Lottery Fund for capital equipment to be purchased by the school.

**Capital Expenditure from GAG**

This represents funds transferred from the restricted GAG fund to purchase fixed assets.

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

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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds	247,739	81,255	(34,259)	-	-	294,735
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	2,471,420	(2,343,575)	(30,960)	-	96,885
Start Up Grant	251	-	(251)	-	-	-
Pupil Premium	-	277,207	(277,207)	-	-	-
Special educational needs funding	-	44,441	(44,441)	-	-	-
Other grants	-	208,321	(207,071)	-	-	1,250
Pension reserve	(856,000)	-	(160,000)	-	187,000	(829,000)
	<u>(855,749)</u>	<u>3,001,389</u>	<u>(3,032,545)</u>	<u>(30,960)</u>	<u>187,000</u>	<u>(730,865)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	7,701,331	-	(165,812)	-	-	7,535,519
DfE/ESFA capital grants	9,627	12,393	(4,715)	-	-	17,305
Capital expenditure from GAG	13,159	-	(18,258)	30,960	-	25,861
National Lottery grant	-	10,000	-	-	-	10,000
	<u>7,724,117</u>	<u>22,393</u>	<u>(188,785)</u>	<u>30,960</u>	<u>-</u>	<u>7,588,685</u>
Total restricted funds	<u>6,868,368</u>	<u>3,023,782</u>	<u>(3,221,330)</u>	<u>-</u>	<u>187,000</u>	<u>6,857,820</u>
Total of funds	<u><u>7,116,107</u></u>	<u><u>3,105,037</u></u>	<u><u>(3,255,589)</u></u>	<u><u>-</u></u>	<u><u>187,000</u></u>	<u><u>7,152,555</u></u>

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,612,893	7,612,893
Current assets	595,941	-	-	595,941
Creditors due within one year	(259,004)	-	-	(259,004)
Provisions for liabilities and charges	-	(823,000)	-	(823,000)
	<u>336,937</u>	<u>(823,000)</u>	<u>7,612,893</u>	<u>7,126,830</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted Fixed Asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	-	7,578,685	7,578,685
Current assets	456,402	98,135	10,000	564,537
Creditors due within one year	(161,667)	-	-	(161,667)
Provisions for liabilities and charges	-	(829,000)	-	(829,000)
	<u>294,735</u>	<u>(730,865)</u>	<u>7,588,685</u>	<u>7,152,555</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(203,725)	(150,552)
<b>Adjustment for:</b>		
Depreciation charges	197,578	188,568
Interest from investments	-	(327)
Loss on the sale of fixed assets	-	217
(Increase)/decrease in debtors	(35,245)	6,345
Increase in creditors	97,337	819
Capital grants from DfE and other capital income	(12,741)	(22,393)
Defined benefit pension scheme cost less contributions payable	20,000	18,000
Fixed assets transferred from the local authority on conversion	152,000	142,000
<b>Net cash provided by operating activities</b>	<u>215,204</u>	<u>182,677</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	488,771	492,612
Total	<u>488,771</u>	<u>492,612</u>

**20. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £39,547 were payable to the schemes at 31 August 2018 (2017 - 38,451) 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.
- 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

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**20. PENSION COMMITMENTS (continued)**

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £209,391 (2017 - £187,583).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £155,000 (2017 - £146,000), of which employer's contributions totalled £119,000 (2017 - £111,000) and employees' contributions totalled £36,000 (2017 - £35,000). The agreed contribution rates for future years are 17.4% for employers and 5.5-6.8% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

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**20. PENSION COMMITMENTS (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2018</b>	<i>At 31 August 2017</i>
	£	£
Discount rate +0.1%	(40,000)	(36,000)
Discount rate -0.1%	42,000	37,000
Mortality assumption - 1 year increase	51,000	46,000
Mortality assumption - 1 year decrease	(49,000)	(45,000)
CPI rate +0.1%	38,000	32,000
CPI rate -0.1%	(37,000)	(32,000)

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

	<b>Fair value at 31 August 2018</b>	<i>Fair value at 31 August 2017</i>
	£	£
Equities	381,000	295,000
Gilts	230,000	165,000
Corporate bonds	48,000	61,000
Cash and other liquid assets	6,000	14,000
Multi Asset Credit	32,000	-
<b>Total market value of assets</b>	<b>697,000</b>	<b>535,000</b>

The actual return on scheme assets was £12,000 (2017 - £69,000).

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

	<b>2018</b>	<i>2017</i>
	£	£
Current service cost	(271,000)	(253,000)
Interest income	16,000	11,000
Interest cost	(36,000)	(29,000)
<b>Total</b>	<b>(291,000)</b>	<b>(271,000)</b>
<b>Actual return on scheme assets</b>	<b>12,000</b>	<b>69,000</b>

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**20. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	1,364,000	1,294,000
Current service cost	271,000	253,000
Interest cost	36,000	29,000
Employee contributions	36,000	35,000
Actuarial gains	(182,000)	(217,000)
Benefits paid	(5,000)	(30,000)
	<u>1,520,000</u>	<u>1,364,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	535,000	438,000
Interest income	16,000	11,000
Actuarial gains	(4,000)	(30,000)
Employer contributions	119,000	111,000
Employee contributions	36,000	35,000
Benefits paid	(5,000)	(30,000)
	<u>697,000</u>	<u>535,000</u>

**21. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	16,659	16,659
Between 1 and 5 years	-	16,659
	<u>16,659</u>	<u>33,318</u>

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**22. MEMBERS' LIABILITY**

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

**23. RELATED PARTY TRANSACTIONS**

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