

REGISTERED COMPANY NUMBER: 08314146 (England and Wales)

Governors' Report and
Financial Statements for the Year Ended
31 August 2018
for
Welton St Mary's Church of England
Primary Academy

Nicholsons
Statutory Auditors
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

Welton St Mary's Church of England
Primary Academy

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for the Year Ended 31 August 2018

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Welton St Mary's Church of England
Primary Academy

Reference and Administrative Details
for the Year Ended 31 August 2018

MEMBERS

Mr A Darby (resigned 8.12.17)
Mrs R M Stephenson
Dr M Smith
Ms S Stewart

GOVERNORS

Mrs N Gough (Principal)
Mrs M Chapman
Dr M Smith
Mrs R M Stephenson (resigned 19.10.18)
Miss D Sylvester (resigned 4.6.18)
Mr P H Dawson
Mrs L Cassidy
Mr A Darby (resigned 8.12.17)
Mr G Watkin (resigned 18.6.18)
Rev R Heskins
Mrs M Lambert
Mr A Johnson
Ms V Lally (Staff governor)
Ms C L D Fraser (Staff governor) (appointed 9.11.17)
Mr J M Griffin (appointed 18.4.18)
Ms S L Mitchell (appointed 18.4.18)

SENIOR MANAGEMENT TEAM

Miss C Flintham (Deputy Head Teacher) (resigned 30.4.18)
Ms O Thorner (Lower School Leader)
Mrs N Gough (Principal and Accounting Officer)
Mrs M Harkness (School Business Manager)

REGISTERED OFFICE

School Drive
Welton
LINCOLN
Lincolnshire
LN2 3LA

**REGISTERED COMPANY
NUMBER**

08314146 (England and Wales)

**Welton St Mary's Church of England
Primary Academy**

**Reference and Administrative Details
for the Year Ended 31 August 2018**

AUDITORS

Nicholsons
Statutory Auditors
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

BANKERS

Lloyds Bank Plc
70 High Street
LINCOLN
Lincolnshire
LN5 8AD

SOLICITORS

Langleys
Olympic House
995 Doddington Road
LINCOLN
Lincolnshire
LN6 3SE

Welton St Mary's Church of England
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Governors' Report
for the Year Ended 31 August 2018

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2018. The governors have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objective and activity of Welton St Mary's Church of England Primary Academy is to provide an outstanding education, founded on distinctive Christian values to all children between the ages of 4 and 11.

Welton St Mary's Church of England
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Governors' Report
for the Year Ended 31 August 2018

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

Welton St Mary's Church of England Primary Academy is a large popular primary school with an admission number of 60 per year. It has close links with other schools, pre-schools and community groups.

The pupils are encouraged to strive for excellence, reach their potential and to become effective citizens of the 21st Century - "together we care, learn and thrive".

The main objectives of the Academy in the year ended 31 August 2018 were:

- To ensure every pupil has access to high quality education and that resourcing, teaching and care meets their needs in achieving this;
- To further raise standards and attainment and progress for all pupils;
- To raise expectations throughout school for ALL learners so that progress across the curriculum is improved for all and teaching, learning and assessment is outstanding;
- To further develop the monitoring and evaluation role of governance leadership;
- For the finances and procedures to provide firm foundations for a thriving school;
- To further develop the 'mastery' approach to teaching and learning in maths so that standards and achievement are significantly above national at the end of KS2; and
- To maintain and develop our Christian ethos and how this is at the heart of our school community.

The Academy's main strategy is to provide the best possible opportunities for all members of the school community. Activities include:

- Being proactive in meeting the needs of all pupils, identifying different needs early and catering for these through appropriate teaching and learning strategies;
- Ensure our Christian ethos is at the heart of our school community;
- Quality teaching, learning and assessment opportunities result in high level of attainment and achievement across the curriculum;
- Ensure all appropriate safeguarding procedures are in place and regularly monitored to remain effective;
- High quality training opportunities for staff, governors and parents;
- To ensure a rigorous and robust system of assessment; and
- To further engage in International opportunities.

In order to achieve the Academy's main strategy; significant and focussed professional development is in place to develop every member of staff and governor. In addition opportunities are provided for parents to attend workshops and to see learning in action to ensure a proactive and positive partnership is in place for all children.

Research is effectively used to develop teaching and learning strategies and staff are actively encouraged to engage in this.

Assessment procedures are rigorous throughout the school with clear systems and opportunities for staff to work together and across a network of schools to standardise and moderate learning and progress.

A clear safeguarding pathway for all members of staff, governors and pupils is in place.

A member of staff responsible for developing international links ensures that opportunities are sought and that children, staff and the wider community learn from experiences.

Clarity of our Christian ethos and values being at the heart of our school is communicated and shared with pupils, parents, staff, governors and our community.

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OBJECTIVES AND ACTIVITIES

Public benefit

The Governors confirm that they have referred to the guidance in the Charity Commission's general guidance on Public Benefit.

Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit, during the past year such events have included the following:

- Leavers and nativity productions which were both well attended by the local community as well as parents and carers;
- Joint church and school coffee mornings, attended by the local community;
- Family hour, a joint venture with St Mary's Church for families with pre-school age children;
- Open days for current and potential parents and carers;
- Opportunities for parents and carers to work alongside their child in school;
- Reading Cafés - to promote the love of books and reading;
- The Academy let out the sports hall to various local clubs, including badminton and fitness classes both for children and for adult education;
- Regular collective worships which are attended by the local community and parents/governors;
- School Friends events which have included; Christmas activities, events for children through the year and Summer Fayres;
- The academy let out the school hall for use by the local Kids Club;
- Brightstart club for pre-school children and parents;
- Discovery days for pre-school children with their pre-school leaders;
- Visits by international visitors;
- Maths and English workshops for parents to attend;
- Working with the twinning community;
- Choir visits to local community organisations to sing for them;
- Choir singing with other schools in the Cathedral;
- Interschool sporting events; and
- Joint activities with neighbouring schools.

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

The academy continues to set high targets for performance. The Ofsted report in January 2017 was graded as good with outstanding leadership and management. External advisors have also graded the school as good with outstanding features.

The impact of high quality teaching, all of which is good or better ensures pupils attain high standards throughout their time at Welton St Mary's Church of England Primary Academy.

A very effective tracking system monitors progress and demonstrates the majority of pupils achieve challenging end of year targets.

For 2018 pupil outcomes in early years are good and remain above national outcomes. The end of year results for both Key Stage 1 (KS1) and Key Stage 2 (KS2) are as follows:

KS1

		Welton St Marys	National
Year 1 Phonics		84%	83%
Expected or above	Reading	81%	75%
Expected or above	Writing	68%	70%
Expected or above	Maths	84%	76%
Expected or above	Reading, writing and maths	68%	65%
Greater Depth	Reading	32%	26%
Greater Depth	Writing	7%	16%
Greater Depth	Maths	21%	22%
Greater Depth	Reading, writing and maths	7%	12%

KS2

Pupil outcomes at the end of KS2 show the academy continue to achieve above national.

		Welton St Marys	National
Expected or above	Reading	82%	75%
Expected or above	Writing	78%	75%
Expected or above	Maths	84%	76%
Expected or above	Grammar, Punctuation and Spelling	85%	78%
Expected or above	Reading, writing and maths	63%	64%
Exceeding	Reading	34%	28%
Exceeding	Writing	16%	20%
Exceeding	Maths	22%	24%
Exceeding	Grammar, Punctuation and spelling	36%	34%
Exceeding	Reading, writing and maths	12%	10%

To ensure high standards are maintained and further improved the academy has:
- a comprehensive school improvement plan based on evaluation and need;

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for the Year Ended 31 August 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

- a rigorous programme for monitoring teaching and learning throughout the academy;
- a comprehensive tracking system that analyses data to assess progress and value added;
- external consultants to monitor the academy performance and monitor the Headteacher appraisal review; and
- a rigorous appraisal programme for all staff.

Key performance indicators

The Academy uses a number of financial key performance indicators to monitor financial success of the Academy and progress/improvement against the targets set.

Staffing costs are monitored as a percentage of total income. For the period ended 31 August 2018 staffing costs (excluding the movement in the LGPS pension) amounted to 76.8% (2017: 75%) of total income.

The Academy also uses a number of non-financial key performance indicators to monitor its performance. These include:

- Test results: (see table on page 6);
- Church School Dioceses visit June 2018: Welton St Mary's Church of England Primary Academy remains an outstanding church school;
- Ofsted outcomes January 2017: School maintained its Good grade with Outstanding for Leadership and Management and Behaviour and Safety of Pupils, Good for Quality of Teaching and Achievement of Pupils, Personal development, behaviour and well-being and Effectiveness of Early Years Provision;
- Attendance: RAISEonline indicates Attendance and Persistent Absenteeism is outstanding when compared to National Averages; and
- Benchmarking: compares against similar schools for staffing (teaching & support staff), energy supplies, supplies and services, ICT and premises although the academy has been able to access benchmarking from the Gov.uk website.

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Governors' Report
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FINANCIAL REVIEW

Principal funding sources

Most of the academies income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the ESFA for 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 capital expenditure from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015) and the Academies Accounts Direction 2017/18, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

During the year ended 31 August 2018 expenditure committed by the Academy was £1,628,703 which was funded by grants received in the year and underspent grants from prior years, with a balance of expenditure over income being £157,175. At 31 August 2018 the net book value of fixed assets was £2,608,107 and movements in tangible fixed assets are shown in note 14 to the accounts. The assets were used exclusively for the provision of the education and the associated support services to the pupils of the Academy.

The academy is showing a pension deficit of £254,000 at the year end, this has reduced from £324,000 as at 31 August 2017. The academy continues to make payments in line with the actuarial triennial review.

Investment policy and objectives

The trustees ensure that the level of free cash reserves held by the Academy are kept at a level necessary to service its ongoing working capital needs. Any excess funds are transferred to a high interest 6 week investment account to maximise the return on any surplus fund, whilst ensuring that risk is avoided insofar as is possible.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors need to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Governors are satisfied with the level of current free reserves of £79,935 and, due to the nature of the sector in which they operate, would expect these to remain at a similar level in future; they will however keep these under review.

The Governors consider an appropriate level of reserves to be in the order of 2 months expenditure which is around £215,000. The funds carry forward at 31 August 2018 is considered to be in line with that objective. The excess funds will now be used to invest in IT equipment, staffing, teaching and learning and the building.

At 31 August 2018 the Academy held total reserves (excluding fixed asset fund and pension deficit) of £409,677 that consists of £329,742 of restricted funds (unspent grants) and £79,935 of unrestricted funds.

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**Governors' Report
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FINANCIAL REVIEW

Going concern

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

FUTURE PLANS

Welton St Mary's Church of England Primary Academy will continue to strive and continue to improve the levels of performance and progress of all its pupils, identifying and celebrating each child's strengths and will continue its efforts to ensure successful transition to secondary school.

The development plan this year focuses on ways we can develop our school further in teaching and learning and takes into account areas for improvement. The areas that we will be working on this year are:

- to further improve the quality of teaching and learning with a focus on writing outcomes and improving the combined Reading, Writing and Maths outcomes;
- provision of quality first teaching and additional support for children in receipt of pupil premium funding and those with SEND support including the deployment of Teaching Assistants;
- to maintain and develop our Christian ethos and how this is at the heart of our school community;
- to embed the teaching approach adopted in maths to further improve outcomes and progress for all learners;
- to review and create a whole school curriculum which encapsulates our vision;
- rigorous and robust system for safeguarding, including continual training for staff; and
- to develop a whole school approach to mental health and well-being.

The Academy are also continuing discussions with regard to forming a Multi Academy Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Report

The Governors, who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2018. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Welton. It has a pupil capacity of 420 and had a roll of 339 in the school census on 4 October 2018.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Welton St Mary's Church of England Primary Academy was incorporated on 30 November 2012 and commenced operation on 1 January 2013.

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of Welton St Mary's Church of England Primary Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Welton St Mary's Church of England Primary Academy.

Details of the governors who served during the year, and to the date the accounts are approved are included in the Reference and Administrative Details on page 1.

The members of the Senior Leadership Team during the year were:

Mrs N Gough (Principal and accounting officer)

Mrs M Harkness (School Business Manager)

Mrs C Flintham (Deputy Headteacher) (resigned 30.4.18)

Ms O Thorner (Lower School Team Leader)

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.

Governors' Indemnities

The academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Details of the costs can be found in note 13 to the accounts.

Principal activities

The Academy's principal activities are to provide primary education to pupils aged 4 - 11.

The academy has a curriculum satisfying the requirements of the Education Act 2002 (balanced and broadly based curriculum) based on particular subject areas, providing education for pupils of different abilities, and for pupils who are wholly or mainly drawn from the area in which the school is situated, as determined by our Funding Statement and Articles of Association.

Recruitment and appointment of new governors

The Board of Trustees is responsible for appointing Governors and may appoint up to 4 Community Governors. Foundation Governors and Co-opted Governors are appointed by the Governing Body. Parent Governors shall be elected by parents of registered pupils at the Academy and must be a parent of a pupil at the Academy at the time when elected. Any election of Parent Governors which is contested shall be held by secret ballot. Staff Governors shall be elected by secret ballot of all staff employed under contract of employment or contract for services. If a staff Governor ceases to work at the Academy then he/she will be deemed to have resigned and shall cease to be a Governor automatically on termination of work.

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**Governors' Report
for the Year Ended 31 August 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisational structure consists of the board of Governors including the Headteacher, the Senior Leadership Team and the whole staff team.

The aim of the structure is to devolve responsibility and to encourage decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual school development plan and agreeing the budget. They monitor the academy by the use of budget and making major decisions about the direction of the academy, capital expenditure and staff appointments.

The Headteacher who is also the responsible officer is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The senior leadership team includes the Headteacher, one Key Stage Leader and the School Business Manager. These managers are responsible for the day to day operation of the academy in particular organising the teaching and support staff.

Induction and training of new governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy, meet with the Headteacher and Chair of Governors and be given the opportunity to meet with staff and students. All Governors are given access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

In addition, all new Governors receive a welcome pack and induction training.

Key management remuneration

As per Welton St Mary's Church of England Primary Academy pay policy which is reviewed annually. A performance management system is used to monitor the performance of all staff members, including the senior leadership team, performance of the Headteacher is overseen by the Governing body who also set pay scales and pay awards for the senior leadership team.

Wider network

The Academy is a member of a locally formed network which takes a collaborative approach to training and support across the schools. The Headteachers of the collaboration meet regularly and share good practice and support each other. The school is also a member of a peer review group, Kyra teaching school and Equate teaching school.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees believe that the Academy's risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Academy Trust.

There are procedures and controls in place with authorisation levels on all expenditure. Income and expenditure is monitored against the Academies budgets monthly, with variance reports being produced and fully explained.

Cash flow is monitored daily by the Academy Trust and budgets presented to the Governing body consider cash flow and liquidity in detail.

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PRINCIPAL RISKS AND UNCERTAINTIES

Through the Academy's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the Governing Body are:

- Change in government funding regime; and
- Anticipated reduction in intake numbers.

Key controls that the Academy has in place to mitigate these risks include:

- Attendance at local and regional conferences to keep up to date with and influence as far as possible Academy funding methodology;
- Marketing the Academy to the wider community; and
- Developing opportunities to offer a wider curriculum and service to the community.

AUDITORS

Insofar as the governors are aware:

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

The auditors, Nicholsons, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of governors on 22 November 2018 and signed on its behalf by:

Dr M Smith - Governor

Welton St Mary's Church of England
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Governance Statement
for the Year Ended 31 August 2018

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings Attended	Out Of A Possible
L Cassidy	1	5
M Chapman	4	5
A Darby (resigned 8.12.18)	1	1
P Dawson	0	5
C Fraser (staff governor) (appointed 9.11.17)	4	4
J Griffin (appointed 18.4.18)	1	2
N Gough (principal)	4	5
R Heskins	3	5
A Johnson	5	5
V Lally (staff governor)	2	5
M Lambert	4	5
S Mitchell (appointed 18.4.18)	2	2
M Smith	4	5
R Stephenson (resigned 19.10.18)	4	5
D Sylvester (resigned 4.6.18)	4	4
G Watkin (resigned 18.6.18)	3	4

Key changes have been the resignation of the 3 Governors, one of which was a committee chair.

The challenges that we experience surround this as we struggle to find quality volunteers who can fill the skills gaps we have based on our skills audit.

This is an ongoing area we look to improve upon when carrying out continuous reviews of governance.

Finance and Premises Committee is a subcommittee of the main board of governors. Its purpose is to:

Finance

1. Ensure the company complies with all regulatory and legal requirements pertaining to the business of the Committee.
2. Ensure that the company complies with all contractual obligations relating to the business of the Committee.
3. Approve relevant policies.

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4. Monitor the implementation of Committee decisions, and the systems and procedures relating Committee business.
5. Plan for future income streams and associated expenditure.
6. Identify and consider business cases for new income streams.
7. Approve work plans based on the academy's strategic plan and SDP priorities.
8. Scrutinise benchmarking data and use it when setting the budget.
9. Plan for and recommend the annual budget and medium term finance plan, ensuring that the budget reflects the academy's priorities.
10. Monitor budgets and expenditure, particularly relating to categories of pupils.
11. Agree actions when income/expenditure shows significant variance from budget
12. Agree virement of funds and approve expenditure in line with agreed thresholds.
13. Monitor expenditure of voluntary funds.
14. Ensure that the academy has a current list of certifying officers.
15. Approve and review service and lease agreements, and set charges.
16. Evaluate internal/external audit outcomes and review actions arising from audits.

Premises

17. Approve long term plans for premises improvements and maintenance, with a view to ecological impact.
18. Audit the use of premises, equipment and resources.
19. Review site security, and health and safety measures and arrangements.
20. Ensure that the school has appropriate insurance arrangements in place.

Staffing

21. Approve future staffing plans in line with academy's strategic and finance plans.
22. Ensure that every member of staff has a job description.
23. Ensure selection and screening of staff complies with safeguarding good practice.
24. Monitor the training and professional development of staff.
25. Monitor staff absence.
26. Monitor matters of staff health and welfare having due regard for matters relating to access.
27. Consider budget impact of any proposed staff changes/absence, and recommend actions to the Governing Body.
28. Take decisions on staff pay taking into account recommendations in light of performance reviews.
29. Apply the requirements of the academy's pay policy in determining the pay of each employee.
30. Advise the Governing Body on the budgetary requirements of the pay policy and take into account established limits.

Attendance at the meetings in the period was as follows:

Governor	Meeting attended	Out of a possible
M Chapman	2	3
A Darby (resigned 8.12.17)	1	1
N Gough (principal)	3	3
A Johnson	3	3
M Smith	3	3
C Fraser (staff governor) (appointed 9.11.17)	2	2
G Watkin (resigned 18.6.18)	0	2
J Griffin (appointed 18.4.18)	1	1
S Mitchell (appointed 18.4.18)	1	1

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Governance Statement
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Review of Value for Money

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

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

- Review of staffing to meet needs of all learners within tight financial constraints;
- Education around reducing the academy's carbon footprint and a whole school approach to energy-saving;
- Tight monitoring procedures and accountability for all spend within the academy and its impact on learners; and
- Review of external stakeholder's services bought in to ensure value for money and to meet the needs of the business with restricted budget allocations.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Welton St Mary's Church Of England Academy for the period 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 governors has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 governors.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors
- regular reviews by the finance and premises 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
for the Year Ended 31 August 2018

The Risk and Control Framework

Previously the board of governors had considered the need for a specific internal audit function and had decided not to appoint an internal auditor. However the governors did appoint Alan Darby a governor and Chair of Finance to carry out a programme of internal checks for the period 1 September 2017 to 31 August 2018. Due to Alan resigning from the Governing Body, LCC were appointed to carry out an internal audit in June 2018. In addition the governors have appointed Nicholsons Accountants as the external auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of delegation of duties

Review of Effectiveness

As accounting officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor, finance & premises 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 governors on 22 November 2018 and signed on its behalf by:

Dr M Smith - Governor

Mrs N Gough - Accounting Officer

**Welton St Mary's Church of England
Primary Academy**

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018**

As accounting officer of Welton St Mary's Church of England Primary Academy I have considered my responsibility to notify the academy trust board of governors and the Education and 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 governors are able to identify any material irregular or improper use of all 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 governors and ESFA.

Mrs N Gough - Accounting Officer

22 November 2018

Welton St Mary's Church of England
Primary Academy

Statement of Governors Responsibilities
for the Year Ended 31 August 2018

The governors (who are also directors of Welton St Mary's Church of England Primary Academy for the purposes of company law) are responsible for preparing the Governors Report and the financial statements in accordance with the Academies Accounts Direction published 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 governors to prepare financial statements for each financial year. Under company law the governors 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 the incoming resources and application of resources, including the income and expenditure, for that period. In preparing those financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and 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 governors 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 to 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The governors 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 board of governors on 22 November 2018 and signed on it's behalf by:

Dr M Smith - Governor

Report of the Independent Auditors to the Members of
Welton St Mary's Church of England
Primary Academy (Registered number: 08314146)

Opinion

We have audited the financial statements of Welton St Mary's Church of England Primary Academy (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

Report of the Independent Auditors to the Members of
Welton St Mary's Church of England
Primary Academy (Registered number: 08314146)

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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

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

Responsibilities of governors

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

In preparing the financial statements, the governors are responsible for assessing the academy trust'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 governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Report of the Independent Auditors to the Members of
Welton St Mary's Church of England
Primary Academy (Registered number: 08314146)**

Emma Murray (Senior Statutory Auditor)
for and on behalf of Nicholson
Statutory Auditors
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

26 November 2018

**Independent Reporting Accountant's Assurance Report on Regularity to
Welton St Mary's Church of England**

Primary Academy and the Education and Skills Funding Agency (Registered number: 08314146)

In accordance with the terms of our engagement letter dated 18 July 2018 and further to the requirements of the Education and 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 Welton St Mary's Church of England Primary Academy during the period 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 Welton St Mary's Church of England Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Welton St Mary's Church of England Primary Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Welton St Mary's Church of England Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Welton St Mary's Church of England Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Welton St Mary's Church of England Primary Academy's funding agreement with the Secretary of State for Education 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 period 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 trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming that the activities of the academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representation from the accounting officer and key management personnel.

**Independent Reporting Accountant's Assurance Report on Regularity to
Welton St Mary's Church of England**

Primary Academy and the Education and Skills Funding Agency (Registered number: 08314146)

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Nicholsons
Chartered Accountants
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

26 November 2018

**Welton St Mary's Church of England
Primary Academy**

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2018**

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Assets £	Total £	2018 funds £	Total £	2017 funds £
INCOME AND ENDOWMENTS FROM								
Donations and capital grants	2	8,443	800	-	9,243		30,021	
Charitable activities								
Funding for the academy's educational operations	3	-	1,382,730	-	1,382,730		1,478,140	
Other trading activities	4	39,662	38,589	-	78,251		91,591	
Investment income	5	1,304	-	-	1,304		875	
Total		49,409	1,422,119	-	1,471,528		1,600,627	
EXPENDITURE ON								
Raising funds	7	5,000	33,627	-	38,627		48,077	
Charitable activities								
Academy's educational operations	9	36,674	1,402,958	67,871	1,507,503		1,537,077	
Pension		-	77,000	-	77,000		10,000	
Other		-	5,573	-	5,573		-	
Total	6	41,674	1,519,158	67,871	1,628,703		1,595,154	
NET INCOME/(EXPENDITURE)								
		7,735	(97,039)	(67,871)	(157,175)		5,473	
Transfers between funds	19	-	(48,290)	48,290	-		-	
Other recognised gains/(losses)								
Actuarial gains/losses on defined benefit schemes		-	147,000	-	147,000		167,000	
Net movement in funds		7,735	1,671	(19,581)	(10,175)		172,473	

The notes form part of these financial statements

**Welton St Mary's Church of England
Primary Academy**

**Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2018**

	Unrestricted funds £	Restricted funds £	Restricted Fixed Assets £	Total 2018 funds £	Total 2017 funds £
RECONCILIATION OF FUNDS					
Total funds brought forward	72,200	74,071	2,627,688	2,773,959	2,601,486
	-----	-----	-----	-----	-----
TOTAL FUNDS CARRIED FORWARD	<u>79,935</u>	<u>75,742</u>	<u>2,608,107</u>	<u>2,763,784</u>	<u>2,773,959</u>

The notes form part of these financial statements

**Welton St Mary's Church of England
Primary Academy (Registered number: 08314146)**

**Balance Sheet
At 31 August 2018**

	Unrestricted funds	Restricted funds	Restricted Fixed Assets	Total	2018 funds	Total	2017 funds
Notes	£	£	£		£		£
FIXED ASSETS							
Tangible assets	14	-	-	2,608,107	2,608,107	2,627,688	
CURRENT ASSETS							
Debtors	15	4,392	71,401	-	75,793	50,222	
Cash at bank		<u>85,838</u>	<u>464,517</u>	<u>762</u>	<u>551,117</u>	<u>597,892</u>	
		90,230	535,918	762	626,910	648,114	
CREDITORS							
Amounts falling due within one year	16	<u>(10,295)</u>	<u>(206,176)</u>	<u>(762)</u>	<u>(217,233)</u>	<u>(177,843)</u>	
NET CURRENT ASSETS		<u>79,935</u>	<u>329,742</u>	<u>-</u>	<u>409,677</u>	<u>470,271</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		79,935	329,742	2,608,107	3,017,784	3,097,959	
PENSION LIABILITY	20	-	(254,000)	-	(254,000)	(324,000)	
NET ASSETS		<u>79,935</u>	<u>75,742</u>	<u>2,608,107</u>	<u>2,763,784</u>	<u>2,773,959</u>	
FUNDS	19						
Unrestricted funds					79,935	72,200	
Restricted funds					<u>2,683,849</u>	<u>2,701,759</u>	
TOTAL FUNDS					<u>2,763,784</u>	<u>2,773,959</u>	

The notes form part of these financial statements

Welton St Mary's Church of England
Primary Academy (Registered number: 08314146)

Balance Sheet - continued
At 31 August 2018

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 22 November 2018 and were signed on its behalf by:

Dr M Smith -Governor

The notes form part of these financial statements

**Welton St Mary's Church of England
Primary Academy**

**Cash Flow Statement
for the Year Ended 31 August 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	444	172,842
Interest paid		<u>(233)</u>	<u>(136)</u>
Net cash provided by (used in) operating activities		<u>211</u>	<u>172,706</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(48,290)	(15,570)
Interest received		<u>1,304</u>	<u>875</u>
Net cash provided by (used in) investing activities		<u>(46,986)</u>	<u>(14,695)</u>
Change in cash and cash equivalents in the reporting period		<u>(46,775)</u>	158,011
Cash and cash equivalents at the beginning of the reporting period		<u>597,892</u>	<u>439,881</u>
Cash and cash equivalents at the end of the reporting period		<u>551,117</u>	<u>597,892</u>

The notes form part of these financial statements

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO OPERATING ACTIVITIES	NET CASH FLOW FROM	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(157,175)	5,473
Adjustments for:			
Depreciation		67,871	61,882
Interest received		(1,304)	(875)
Interest paid		233	136
(Increase)/decrease in debtors		(25,571)	20,052
Increase in creditors		39,390	26,174
Difference between pension charge and cash contributions		<u>77,000</u>	<u>60,000</u>
Net cash provided by (used in) operating activities		<u><u>444</u></u>	<u><u>172,842</u></u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements
for the Year Ended 31 August 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Welton St Mary's Church of England Primary Academy meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, the receipt is probable and the amount can be measure reliably.

Grants

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

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

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

Other income

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

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

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. All resources expended are net of VAT.

Raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

2%	Freehold buildings
Not provided	Freehold land
33%	Computer equipment
33%	Fixtures and fittings
2%	Improvements to property

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.

Financial instruments

Only basic financial instruments as defined in FRS 102 are held. Financial assets and financial liabilities are recognised in the accounts only when the entity becomes party to the contractual provisions of the instrument and their measurement basis is as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at transaction price.

Financial liabilities - trade creditors, accruals and other creditors are basic financial instruments, and are measured at amortised cost. Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of future payments, discounted at a market rate of interest.

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education as well as other sources.

Operating lease agreements

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

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

1. ACCOUNTING POLICIES - continued

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

School fund

The School Fund does not form part of the academies accounts as the values are deemed to be immaterial.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Critical accounting estimates

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 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 the notes to the financial statements, 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	<u>8,443</u>	<u>800</u>	<u>9,243</u>	<u>30,021</u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant	-	1,139,788	1,139,788	1,231,879
Pupil Premium	-	76,315	76,315	82,925
Other DfE/ESFA Grants	-	7,099	7,099	6,519
Capital Maintenance	-	8,174	8,174	8,095
PE & Sports Grant	-	19,140	19,140	9,615
Universal Infant Free School Meals	-	49,599	49,599	42,609
	-	1,300,115	1,300,115	1,381,642
DfE/ESFA capital grant				
EFA Bid Fund	-	2,273	2,273	-
Local Authority Grants				
Local Authority Grants	-	78,442	78,442	96,498
Other Funds				
Other funds	-	1,900	1,900	-
	-	<u>1,382,730</u>	<u>1,382,730</u>	<u>1,478,140</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Casual lettings	14,776	-	14,776	13,318
Teacher recharge	21,950	18,565	40,515	29,254
Music tuition	-	7,009	7,009	11,452
Sundry income	2,898	67	2,965	9,517
School trips	38	12,948	12,986	28,050
	<u>39,662</u>	<u>38,589</u>	<u>78,251</u>	<u>91,591</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Deposit account interest	<u>1,304</u>	<u>-</u>	<u>1,304</u>	<u>875</u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

6. EXPENDITURE

				2018	2017
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
	£	£	£		
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	3,000	8,183	27,444	38,627	48,077
Charitable activities					
Academies educational operations					
Direct costs	745,724	62,500	109,321	917,545	955,182
Allocated support costs	<u>397,072</u>	<u>97,963</u>	<u>94,923</u>	<u>589,958</u>	<u>581,895</u>
	1,145,796	168,646	231,688	1,546,130	1,585,154
Other	<u>-</u>	<u>-</u>	<u>5,573</u>	<u>5,573</u>	<u>-</u>
	<u>1,145,796</u>	<u>168,646</u>	<u>237,261</u>	<u>1,551,703</u>	<u>1,585,154</u>

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	67,871	61,882
Other operating leases	<u>5,573</u>	<u>-</u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Staff costs	3,000	-	3,000	3,000
Rates and water	750	2,000	2,750	2,750
Light and heat	750	2,000	2,750	2,750
Telephone	-	1,183	1,183	1,303
Cleaning	500	1,000	1,500	1,500
Educational visits	-	24,714	24,714	32,627
Music tuition	-	2,730	2,730	4,147
	<u>5,000</u>	<u>33,627</u>	<u>38,627</u>	<u>48,077</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Direct costs	17,190	900,355	917,545	955,182
Support costs	<u>19,484</u>	<u>570,474</u>	<u>589,958</u>	<u>581,895</u>
	<u>36,674</u>	<u>1,470,829</u>	<u>1,507,503</u>	<u>1,537,077</u>

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	397,072	364,870
Subcontract	12,769	8,258
Premises costs	97,963	127,344
Other support costs	72,086	72,760
Governance costs	<u>10,068</u>	<u>8,663</u>
Total support costs	<u>589,958</u>	<u>581,895</u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	£	£	£
Pension	68,000	9,000	77,000
Academy's educational operations	<u>917,545</u>	<u>589,958</u>	<u>1,507,503</u>
	<u>985,545</u>	<u>598,958</u>	<u>1,584,503</u>

10. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	2,500	2,500
Other non-audit services	<u>7,568</u>	<u>6,163</u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

11. GOVERNORS' REMUNERATION AND BENEFITS

The head teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as governors. Other governors did not receive any payments from the academy trust in respect of their role as governors. The value of governors' remuneration was as follows:

Mrs N Gough (Head teacher and Governor)

Remuneration £70,000-£75,000 (2017: £70,000-£75,000)

Employers pension contributions £10,000-£15,000 (2017: £10,000-£15,000)

Included in these wages is a contribution for work carried out for which the Academy also receives payment. During the year these totalled:

Remuneration £2,266 (2017: £1,503)

Mrs J David (Teaching Assistant and Governor until 06/02/17)

Remuneration £Nil (2017: £5,000-£10,000)

Employers pension contributions £Nil (2017: £0-£5,000)

Mrs L Cassidy (Deputy Head Teacher until 31/08/17 and Governor)

Remuneration £Nil (2017: £50,000-£55,000)

Employers pension contributions £Nil (2017: £5,000-£10,000)

Mrs V Lally (Teaching Assistant and Governor from 06/02/17)

Remuneration £15,000- £20,000 (2017: £5,000 - £10,000)

Employers pension contributions £0-£5,000 (2017: £0 - £5,000)

Ms C Fraser (Teacher and Governor from 09/11/17)

Remuneration £35,000 - £40,000 (2017: £Nil)

Employers pension contributions £5,000 - £10,000 (2017: £Nil)

The remuneration disclosed above covers the period from 1 September 2017 or their date of appointment as governor (whichever is the latter) and any remuneration received prior to this date has not been disclosed.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

12. KEY MANAGEMENT PERSONNEL

	2018 £	2017 £
Wages and salaries	926,471	876,044
Social security costs	64,294	61,300
Operating costs of defined benefit pension schemes	<u>202,985</u>	<u>201,418</u>
	1,193,750	1,138,762
Supply teacher costs	<u>20,046</u>	<u>31,685</u>
	<u><u>1,213,796</u></u>	<u><u>1,170,447</u></u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2018	2017
Teachers	15	14
Administration and support	33	30
Management	<u>3</u>	<u>5</u>
	<u><u>51</u></u>	<u><u>49</u></u>

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

	2018	2017
£60,001 - £70,000	<u><u>1</u></u>	<u><u>1</u></u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for this staff member totalled £11,070 (2017: £10,729).

The key management personnel of the academy trust comprise the trustees and the senior management team listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £219,259 (2017 £239,029).

13. GOVERNORS' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

14. TANGIBLE FIXED ASSETS

	Freehold property	Property improvements	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 September 2017	2,620,000	248,000	1,000	45,570	2,914,570
Additions	-	-	-	48,290	48,290
Disposals	-	-	-	(1,180)	(1,180)
At 31 August 2018	<u>2,620,000</u>	<u>248,000</u>	<u>1,000</u>	<u>92,680</u>	<u>2,961,680</u>
DEPRECIATION					
At 1 September 2017	243,000	12,959	276	30,647	286,882
Charge for year	52,000	4,955	168	10,748	67,871
Eliminated on disposal	-	-	-	(1,180)	(1,180)
At 31 August 2018	<u>295,000</u>	<u>17,914</u>	<u>444</u>	<u>40,215</u>	<u>353,573</u>
NET BOOK VALUE					
At 31 August 2018	<u>2,325,000</u>	<u>230,086</u>	<u>556</u>	<u>52,465</u>	<u>2,608,107</u>
At 31 August 2017	<u>2,377,000</u>	<u>235,041</u>	<u>724</u>	<u>14,923</u>	<u>2,627,688</u>

Included in the land and buildings value stated above is freehold land at a value of £20,000 occupied under a licence as noted in the church supplemental agreement from The Lincoln Diocesan Trust and Board of Finance Limited.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	4,947	3,188
VAT	24,081	11,883
Prepayments and accrued income	<u>46,765</u>	<u>35,151</u>
	<u>75,793</u>	<u>50,222</u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	82,415	53,864
Social security and other taxes	16,157	15,679
Other creditors	67,000	67,000
Accruals and deferred income	<u>51,661</u>	<u>41,300</u>
	<u>217,233</u>	<u>177,843</u>

	2018	2017
	£	£
Deferred income at 1 September 2017	30,952	37,471
Released from previous years	(30,952)	(37,471)
Resources deferred in the year	<u>37,714</u>	<u>30,952</u>
Deferred Income at 31 August 2018	<u>37,714</u>	<u>30,952</u>

At the balance sheet date the academy trust was holding funds of £37,714 (2017: £30,952) received in advance for devolved capital and universal infant free school meals.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	8,060	-
Between one and five years	<u>11,626</u>	<u>-</u>
	<u>19,686</u>	<u>-</u>

18. 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.

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. MOVEMENT IN FUNDS

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
Lettings and Hire of Facilities	12,662	9,776	-	22,438
Teacher Recharge	28,119	14,509	-	42,628
Sundry Income	<u>31,419</u>	<u>(16,550)</u>	-	<u>14,869</u>
	72,200	7,735	-	79,935
Restricted funds				
Trip Income	10,295	2,538	-	12,833
Music Tuition	-	3,427	-	3,427
Sundry Income	18,694	-	-	18,694
General Annual Grant	331,342	(20,532)	(50,083)	260,727
Pupil Premium Grant	-	175	1,725	1,900
Pension	(324,000)	70,000	-	(254,000)
Local Authority Grants	-	(68)	68	-
Fixed Asset Transfer From Local Authority on Conversion	2,377,000	(52,000)	-	2,325,000
Other DfE/EFA Grants	37,740	(5,579)	-	32,161
Fixed Assets General Annual Grant	20,246	(8,921)	48,290	59,615
Capital Maintenance Grant 2014-2015	222,467	(4,700)	-	217,767
Fixed assets from other sources	<u>7,975</u>	<u>(2,250)</u>	-	<u>5,725</u>
	2,701,759	(17,910)	-	2,683,849
	<u>2,773,959</u>	<u>(10,175)</u>	-	<u>2,763,784</u>
TOTAL FUNDS	<u>2,773,959</u>	<u>(10,175)</u>	-	<u>2,763,784</u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Lettings and Hire of Facilities	14,776	(5,000)	-	9,776
Teacher Recharge	14,509	-	-	14,509
Sundry Income	<u>20,124</u>	<u>(36,674)</u>	-	<u>(16,550)</u>
	49,409	(41,674)	-	7,735
Restricted funds				
Trip Income	12,090	(9,552)	-	2,538
Music Tuition	7,009	(3,582)	-	3,427
General Annual Grant	1,140,656	(1,161,188)	-	(20,532)
Pupil Premium Grant	83,275	(83,100)	-	175
Local Authority Grants	97,005	(97,073)	-	(68)
Other DfE/EFA Grants	82,084	(87,663)	-	(5,579)
Fixed assets from other sources	-	(2,250)	-	(2,250)
Pension	-	(77,000)	147,000	70,000
Fixed Asset Transfer From Local Authority on Conversion	-	(52,000)	-	(52,000)
Fixed Assets General Annual Grant	-	(8,921)	-	(8,921)
Capital Maintenance Grant 2014-2015	<u>-</u>	<u>(4,700)</u>	-	<u>(4,700)</u>
	1,422,119	(1,587,029)	147,000	(17,910)
TOTAL FUNDS	<u><u>1,471,528</u></u>	<u><u>(1,628,703)</u></u>	<u><u>147,000</u></u>	<u><u>(10,175)</u></u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.17 £
Unrestricted Funds				
Lettings and Hire of Facilities	4,439	8,223	-	12,662
Teacher Recharge	2,000	26,119	-	28,119
Sundry Income	<u>9,738</u>	<u>21,681</u>	<u>-</u>	<u>31,419</u>
	16,177	56,023	-	72,200
Restricted Funds				
Trip Income	6,646	3,649	-	10,295
Music Tuition	4,901	(6,161)	1,260	-
Sundry Income	18,694	-	-	18,694
General Annual Grant	276,045	63,229	(7,932)	331,342
Pension	(431,000)	107,000	-	(324,000)
Local Authority Grants	-	(1,327)	1,327	-
Fixed Asset Transfer From Local Authority on Conversion	2,429,000	(52,000)	-	2,377,000
Other DfE/EFA Grants	36,023	1,717	-	37,740
Fixed Assets General Annual Grant	17,833	(2,932)	5,345	20,246
Capital Maintenance Grant 2014-2015	227,167	(4,700)	-	222,467
Fixed assets from other sources	<u>-</u>	<u>7,975</u>	<u>-</u>	<u>7,975</u>
	2,585,309	116,450	-	2,701,759
	<u>2,601,486</u>	<u>172,473</u>	<u>-</u>	<u>2,773,959</u>
TOTAL FUNDS	<u>2,601,486</u>	<u>172,473</u>	<u>-</u>	<u>2,773,959</u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Lettings and Hire of Facilities	13,318	(5,095)	-	8,223
Teacher Recharge	29,254	(3,135)	-	26,119
Sundry Income	<u>27,327</u>	<u>(5,646)</u>	<u>-</u>	<u>21,681</u>
	69,899	(13,876)	-	56,023
Restricted funds				
Trip Income	26,431	(22,782)	-	3,649
Music Tuition	11,452	(17,613)	-	(6,161)
General Annual Grant	1,231,880	(1,168,651)	-	63,229
Capital Maintenance Fund	8,095	(8,095)	-	-
Local Authority Grants	99,359	(100,686)	-	(1,327)
Other DfE/EFA Grants	143,286	(141,569)	-	1,717
Fixed assets from other sources	10,225	(2,250)	-	7,975
Pension	-	(60,000)	167,000	107,000
Fixed Asset Transfer From Local Authority on Conversion	-	(52,000)	-	(52,000)
Fixed Assets General Annual Grant	-	(2,932)	-	(2,932)
Capital Maintenance Grant 2014-2015	<u>-</u>	<u>(4,700)</u>	<u>-</u>	<u>(4,700)</u>
	1,530,728	(1,581,278)	167,000	116,450
TOTAL FUNDS	<u><u>1,600,627</u></u>	<u><u>(1,595,154)</u></u>	<u><u>167,000</u></u>	<u><u>172,473</u></u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.16 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted funds				
Lettings and Hire of Facilities	4,439	17,999	-	22,438
Teacher Recharge	2,000	40,628	-	42,628
Sundry Income	9,738	5,131	-	14,869
Restricted funds				
Trip Income	6,646	6,187	-	12,833
Music Tuition	4,901	(2,734)	1,260	3,427
Sundry Income	18,694	-	-	18,694
General Annual Grant	276,045	42,697	(58,015)	260,727
Pupil Premium Grant	-	175	1,725	1,900
Pension	(431,000)	177,000	-	(254,000)
Local Authority Grants	-	(1,395)	1,395	-
Fixed Asset Transfer From Local Authority on Conversion	2,429,000	(104,000)	-	2,325,000
Other DfE/EFA Grants	36,023	(3,862)	-	32,161
Fixed Assets General Annual Grant	17,833	(11,853)	53,635	59,615
Capital Maintenance Grant 2014-2015	227,167	(9,400)	-	217,767
Fixed assets from other sources	-	5,725	-	5,725
	<u>2,585,309</u>	<u>98,540</u>	<u>-</u>	<u>2,683,849</u>
TOTAL FUNDS	<u><u>2,601,486</u></u>	<u><u>162,298</u></u>	<u><u>-</u></u>	<u><u>2,763,784</u></u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Lettings and Hire of Facilities	28,094	(10,095)	-	17,999
Teacher Recharge	43,763	(3,135)	-	40,628
Sundry Income	47,451	(42,320)	-	5,131
	<u>119,308</u>	<u>(55,550)</u>	-	<u>63,758</u>
Restricted funds				
Trip Income	38,521	(32,334)	-	6,187
Music Tuition	18,461	(21,195)	-	(2,734)
General Annual Grant	2,372,536	(2,329,839)	-	42,697
Pupil Premium Grant	83,275	(83,100)	-	175
Capital Maintenance Fund	8,095	(8,095)	-	-
Local Authority Grants	196,364	(197,759)	-	(1,395)
Other DfE/EFA Grants	225,370	(229,232)	-	(3,862)
Fixed assets from other sources	10,225	(4,500)	-	5,725
Pension	-	(137,000)	314,000	177,000
Fixed Asset Transfer From Local Authority on Conversion	-	(104,000)	-	(104,000)
Fixed Assets General Annual Grant	-	(11,853)	-	(11,853)
Capital Maintenance Grant 2014-2015	-	(9,400)	-	(9,400)
	<u>2,952,847</u>	<u>(3,168,307)</u>	<u>314,000</u>	<u>98,540</u>
TOTAL FUNDS	<u><u>3,072,155</u></u>	<u><u>(3,223,857)</u></u>	<u><u>314,000</u></u>	<u><u>162,298</u></u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

19. MOVEMENT IN FUNDS - continued

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

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

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

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

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

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

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

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

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

20. PENSION AND SIMILAR OBLIGATIONS

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

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.

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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
- 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 pension costs paid to TPS in the period amounted to £121,816 (2017: £142,072).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2018 was £73,000 (2017: £75,000), of which employer's contributions totalled £56,000 (2017: £59,000) and employees' contributions totalled £17,000 (2017: £16,000). The agreed contribution rates for future years are between 14% and 18% for employers and between 5.5% and 12% 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.

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**20. PENSION AND SIMILAR OBLIGATIONS
- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(911,000)	(864,000)
Fair value of plan assets	<u>657,000</u>	<u>540,000</u>
	<u>(254,000)</u>	<u>(324,000)</u>
Deficit	<u>(254,000)</u>	<u>(324,000)</u>
Liability	<u>(254,000)</u>	<u>(324,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	124,000	109,000
Net interest from net defined benefit asset/liability	<u>9,000</u>	<u>10,000</u>
	<u>133,000</u>	<u>119,000</u>
Actual return on plan assets	<u>45,000</u>	<u>22,000</u>

**Welton St Mary's Church of England
Primary Academy**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**20. PENSION AND SIMILAR OBLIGATIONS
- continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	864,000	875,000
Current service cost	124,000	109,000
Contributions by scheme participants	17,000	16,000
Interest cost	23,000	20,000
Benefits paid	(1,000)	(1,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	(21,000)
Actuarial (gains)/losses from changes in financial assumptions	(116,000)	(88,000)
Oblig other remeasurement	-	(46,000)
	<u>911,000</u>	<u>864,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	540,000	444,000
Contributions by employer	56,000	59,000
Contributions by scheme participants	17,000	16,000
Expected return	14,000	10,000
Actuarial gains/(losses)	31,000	12,000
Benefits paid	(1,000)	(1,000)
	<u>657,000</u>	<u>540,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	21,000
Actuarial (gains)/losses from changes in financial assumptions	116,000	88,000
Oblig other remeasurement	-	46,000
	<u>116,000</u>	<u>155,000</u>

Welton St Mary's Church of England
Primary Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. PENSION AND SIMILAR OBLIGATIONS
- continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
Equities	73%	78%
Bonds	15%	12%
Property	11%	9%
Cash	1%	1%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Discount rate	2.8%	2.4%
Future salary increases	2.7%	2.8%
Future pension increases	2.3%	2.5%

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.6	26.8

The estimated value of employer contributions for the year ended 31 August 2019 is £57,000.

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the academy financial handbook and the academy trust's financial regulations and normal procurement procedures relating to connected and 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 11.

22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.