

BUTTSBURY JUNIOR SCHOOL

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

Members

Mr A Parker (resigned 29 September 2017)
Mr L Sheppard
Mr B Beadon
Mr A Breathwick
Mrs J Hamilton-Morris
Mr S Harvey (resigned 27 July 2017)
Mrs A McGibbon
Mr M McGowan
Mrs C Ramsden
Mrs S Wright (appointed 4 November 2016)
Mr S Harbrow (appointed 1 September 2017)

Trustees

Mr M McGowan, Chair of Governors
Mr A Parker (resigned 29 September 2017)
Mr L Sheppard, Chair of Finance & Facilities Committee
Mrs A Robinson, Headteacher
Mr S Harvey (resigned 27 July 2017)
Mr B Beadon, Vice Chair
Mr A Breathwick
Mrs C Ramsden
Mrs J Hamilton-Morris
Mrs A McGibbon
Ms S Lavelle
Mr S Harbrow (appointed 1 September 2017)
Mrs S Wright (appointed 4 November 2016)

**Company registered
number**

07601846

Company name

Buttsbury Junior School

**Registered and principal
office**

Norsey View Drive
Billericay
Essex
CM12 0QR

Accounting Officer

Mrs A Robinson

**Senior Management
Team**

Mrs A Robinson, Headteacher
Miss S Brown, Acting Assistant Headteacher (resigned from this position 31 August 2015)
Mrs C Coughtrey, Assistant Headteacher
Miss F Ferguson, Year 6 Leader
Miss S Carroll, Year 4 Leader
Miss N Miller, year 3 Leader
Mrs J Backhouse, Inclusion Manager
Miss S Mumford, Deputy Headteacher

Independent Auditors

Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their Annual Report together with the financial statements and Auditor's Reports of Buttsbury Junior School (the Charitable Company, the Trust or the Academy) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates an academy school for pupils aged 7 to 11 serving a catchment area in Billericay. It has a pupil capacity of 496 and had a roll of 495 in the 2017 school census.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents. The Governors of Buttsbury Junior School are also directors of the Charitable Company for the purposes of company law. The term Governor, Trustee and Director are interchangeable in this Report. The Charitable Company is known as Buttsbury Junior School (the School).

Details of the Governors (who served throughout the year except as noted) are included in the Reference and Administrative Details section of this Report.

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

Academy insurers encompass all relevant insurance including Governor third party indemnity provision.

Methods of Recruitment and Appointment or Election of Governors

Governors are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Governors and Staff Governors are elected to office. In the event of insufficient candidates offering themselves for election as Parent Governors, the Governing Body may appoint Parent Governors. The Articles of Association make provision for; a minimum of 2 and a maximum of 7 Community Governors; a minimum of 2 and a maximum of 5 Parent Governors; a maximum of 2 Staff Governors; the Headteacher; a maximum of 3 Co-opted Governors; any additional Governors appointed by the Secretary of State.

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors are required to attend an induction programme that typically involves a tour of the School and meetings with students and staff. They are provided with copies of the relevant policy and procedure documents that are appropriate to the role they undertake as Governors, with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy income and costs against the budget, reviewing progress towards educational objectives and results and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. They also agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

The Headteacher is the Accounting Officer and has overall responsibility for day to day financial management.

At the start of the year the Leadership Team consisted of the Headteacher, the Deputy Headteacher, Year Group Heads and the Inclusion Manager. During the year an Assistant Headteacher role was introduced. This team controls the Academy at an executive level, implementing policies and reporting to the Governing Body. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff, following vetting and safeguarding recruitment processes. Each member of the Leadership Team has specific responsibilities to assist the Headteacher to manage specific aspects of the Academy.

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

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel are decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the full Governing Body.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is possible that from time to time transactions will take place with organisations in which a member of the Governing Body may have an interest. Further, the Academy has formal or informal arrangements with several connected organisations. These include BCT, Billericay SCITT, Teaching Schools Alliance, First Strokes Swimming, Winger Sports, Working for Children, Elites Swimming and William de Ferrers Sports Partnership. All transactions involving these organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures.

The Trust does not have a formal sponsor.

Objectives and Activities

Objective

The School's overriding objective is to provide free education and care for pupils of different abilities between the ages of 7 and 11.

Activities

It seeks to achieve this objective by:

- Establishing high quality teaching, learning and assessment;
- Providing a broad and balanced curriculum and a wide range of extra-curricular activities;
- Care, guidance and support of students; and
- Strong, effective leadership and management.

Our success in performing these activities can be measured by:

- Strong performance in SATS results;
- Self-assessment as an Outstanding School (supported by independent external verification);
- Positive comments and feedback from parents and other stakeholders; and
- Children's enjoyment in coming to School and their positive responses in pupil questionnaires.

Public Benefit

The Governors confirm that in exercising their powers or duties they have referred to and follow the guidance contained in the Charity Commission's guidance on public benefit.

Strategic Report

Achievements and Performance

The Academy continued its mission to ensure that all students achieved their potential; it provided a wide range of extra-curricular activities, developed and retained suitable staff and successfully prepared students for transfer to secondary education.

The School continued to implement its robust development plan to bring about rapid improvements in all aspects of School life. The success of the plan can be measured by the School's self-evaluation as 'Outstanding' (supported by independent external validation) at the end of the academic year.

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

Academic performance

As a result of the move to 'Assessment without Levels', results in the 2016 End of Key Stage Standard Assessment Tests cannot be compared to previous years. However, the School's results were in the top quartile nationally. Highlights (2016 results in brackets) were:

- 81% (88%) of children attained the expected standard in Grammar, Punctuation and Spelling (16% above national);
- 76% (80%) of children attained the expected standard in Reading (5% above national);
- 88% (87%) of children attained the expected standard in Writing (12% above national)*;
- 83% (81%) of children attained the expected standard in Maths (8% above national); and
- 73% (68%) of children attained the expected standard in Reading, Writing and Maths combined (12% above national);

* *Writing attainment is teacher-assessed*

Progress results for Year 6 (measured from Sept 2014) were:

- 91% making expected or better progress in Reading;
- 89% making expected or better progress in Writing; and
- 94% making expected or better progress in Maths.

(Above 85% is considered strong progress)

Sporting performance

The various sports teams had another very successful year:

- We were awarded the Sportsmark Gold Award in September 2016 and again in July 2017;
- Both the Year 3/4 and Year 5/6 teams won the County Swimming Championships;
- Teams qualified to compete at county level in several other sports, including; basketball, indoor athletics, cricket, cross country, tennis and dodgeball;
- We won the District Sports;
- 75% of children participated in at least one sporting club per week;
- Regular inter-house competitions enabled all children to participate in competitive sport; and
- We have also been awarded Enhanced Healthy Schools status.

Performance in Music

The School has had another very successful year in terms of music with a large number of children passing external examinations in a wide range of instruments. This year, the School introduced a Year 3/4 choir in addition to the Year 5/6 choir. Over 100 children performed as members of the choir. A further 40 played instruments in our summer concert.

On the Facilities front:

- The School building was completely re-clad;
- The toilets in the Year 3 area, which are also used during the lunch break, were replaced;
- The Year 4 classrooms were redecorated;
- Several radiators were replaced/updated; and
- The environmental area was enhanced as part of our 'Forest Schools' project

Key Performance Indicators (KPIs)

Academic Indicators	2016/17	2015/16	2014/15	2013/14
Standardised progress measure in Maths	+1.1	+0.9	Not comparable	Not comparable
Standardised progress measure in Reading	-0.7	+1.3	Not comparable	Not comparable
Standardised progress measure in Writing	+1.5	+2.7	Not comparable	Not comparable
Attaining/exceeding expected standard in GPS	81%	88%	Not comparable	Not comparable
Attaining/exceeding expected standard in Reading	76%	80%	Not comparable	Not comparable
Attaining/exceeding expected standard in Maths	83%	81%	Not comparable	Not comparable
Attaining/exceeding standard in Reading, Writing & Maths	73%	68%	Not comparable	Not comparable
Attendance Level (Target 97.7%)	97.4%	97.6%	97.4%	97.0%

Financial Indicators

Income KPIs	2016-17	2015-16	2014-15
Total Revenue Income Per Pupil	£4,114	£4,128	£4,094
GAG Income per Pupil	£3,329	£3,403	£3,478
GAG Income as a % of Total Revenue Income	84%	82%	85%

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Expenditure KPIs	2016-17	2015-16	2014-15
Staff Costs as % of Total Revenue Income	76%	71%	71%
Teaching Staff Costs as % of Total Revenue Income	63%	45%	44%
Teaching Staff Costs as % of Total Staff Costs	84%	64%	62%
Total Expenditure as a % of Total Revenue Income (excluding capital costs)	123%	96%	102%

Balance Sheet KPIs	2016-17	Target KPI
Cash Balances as a % of Total Income	24%	>10%
Current Assets to Current Liabilities	3.1 times	1.2 – 3.5 times

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Source of Funding

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31st August 2017 the Academy received £1,647,635 in GAG funding. A high percentage of this funding is spent on wages, salaries and support costs to deliver the Academy's primary objective of the provision of education.

During the year the Trust incurred expenditure (excluding depreciation) of £2,472,877 and transferred £Nil to support capital new build and improvement projects on the School site. Excluding restricted fixed assets and the restricted LGPS pension fund liability, the Academy brought forward from 2015/16, £365,989 restricted fixed asset funds and £333,804 unrestricted funds. The carry forward for 2016/17 is £368,180 unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,038,000. This does not mean that an immediate liability for this amount crystallises. Such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Trust is currently making payments as agreed with scheme administrators towards the deficit and it is envisaged that should this amount be increased it will be met from the Academy's budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy.

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 Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £368,180.

The Academy's Reserves Policy states that non-earmarked reserves equating to 3% of total funds should be held, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies. This works out at £11,045.

Deducting the above long-term reserves and non-earmarked reserves leaves £357,135 of free reserves. Governors have earmarked this as follows:

- £357,135 held as contingency in the light of the current declining funding conditions

Investment Policy

The Governor's regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

The Academy's investment policy states that funds surplus to the above needs can be placed in an interest-bearing account. This year the Governors have placed £150,000 of the Academy's reserves in two 3-month notice accounts.

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

Principal Risks and Uncertainties

The Governors assess the principal risks and uncertainties facing the Academy as follows:

- Staff retention: In order to deliver the best quality learning experience for our children it is critical we retain the best staff and continue to keep them motivated and enthusiastic. However, it is not felt that there are any immediate threats in this regard.
- Material decrease in income affecting provision: This is highly likely. The budget for 2017/18 is sound and the medium-term financial plan shows adequate contingency against unwelcome future developments, but the longer term position is of concern.
- Falling rolls: If the number on roll was to fall unexpectedly it could have an adverse impact on the Academy's ability to balance the budget. However, the Academy has traditionally enjoyed a full roll and expects to continue to do so.
- Building repairs: The main buildings have exceeded their originally anticipated useful life and thus may require expected repair and renovation that has not been budgeted for. To date we have been successful with capital bids when such work has been necessary
- Bank balances & investments: There is no significant risk other than an institution ceasing to trade.
- Debtors: There are no material debtors.
- The Academy's credit rating: This is not in jeopardy, though it has no need for credit facilities.
- The Academy's cash flow: This is healthy and long-term financial planning predicts it will remain so.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its students at all levels. The last Ofsted inspection in March 2015 rated the School as 'Good' and, with effect from September 2016, the School's self-evaluation (moderated by external feedback) rates the school as 'Outstanding'.

The Governors intend to enhance and expand facilities in pursuance of the Academy's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing needs to allow them full access to the curriculum and that adjustments to learning environments may be required to meet these needs.

Auditors

Provision of Information to auditors

Each of the persons who were Governors at the time when this Governors' Report was approved has confirmed that:

- So far as that Governor is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- That Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish that the Charitable Company's Auditors are aware of that information

Reappointment of Auditors

The Auditors, Price Bailey LLP, indicated their willingness to continue in office. The Members will propose a motion reappointing the Auditors at a meeting of the Members.

This Report, incorporating a Strategic Report, was approved by the Governing Body on 14 December 2017 and signed on its behalf by:

Mr M McGowan
Chair of Governors

BUTTSBURY JUNIOR SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee/Governor	Meetings attended	Out of a possible
Mr M McGowan	5	5
Mr A Parker	5	5
Mr L Sheppard	5	5
Mrs A Robinson	5	5
Mr S Harvey	4	5
Mr B Beadon	4	5
Mr A Breathwick	5	5
Mrs C Ramsden	4	5
Mrs J Hamilton-Morris	5	5
Mrs A McGibbon	4	5
Ms S Lavelle	4	5
Mr S Harbrow	0	0
Mrs S Wright	4	4

Governance reviews:

This year the Governing Body commissioned an external review of Governance. This was conducted by the National Governance Association. The review found that governance at the School was generally very good. Areas identified for action/improvement were:

- Review School's vision and determine strategy to achieve it.
- Governance succession planning.
- Seek confirmation of perceived governance good practice and look out for new good practice.

These findings fed into the Governors' ongoing self-evaluation document. This is linked to the areas for development identified in the School Development Plan.

Governor monitoring during the year looks at progress against the areas for development identified in the SEF. For example, monitoring was able to assess how well the revised marking policy was being implemented and identify potential actions. Follow-up monitoring was then able to assess if the actions had been implemented and whether or not they had achieved the desired results.

Next year Governors plan to carry out a self-evaluation.

The Finance & Facilities Management Committee is a sub-committee of the Governing Body. Its purpose is to address financial and facilities matters. In addition to fulfilling its routine responsibility to regularly monitor Academy funds it addressed the following issues:

- Overseeing completion of the recladding of the building;
- Allocating funds for, and monitoring renovation of one of the toilet blocks; and
- Reviewing of lettings rates to keep them in line with current market rates.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Beadon	3	6
Mr A Breathwick	5	6
Mr S Harvey	4	6
Mr M McGowan	5	6
Mrs C Ramsden	2	6
Mrs A Robinson	6	6
Mr L Sheppard	6	6

The Audit Committee is also a sub-committee of the Governing Body. Its purpose is to address audit and related finance matters. During the year it addressed the following issues:

- Resolution of issues identified in the termly Internal Control reports received from the Essex County Council Internal Audit service. No significant concerns were raised;
- Receiving the audit of the 2015/16 accounts. There were no major issues to address arising from the audit; and
- Re-appointment of the Academy's Auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Beadon	1	3
Mr A Breathwick	2	3
Mr S Harvey	3	3
Mr M McGowan	2	3
Mr L Sheppard	3	3
Mrs C Ramsden	1	3

REVIEW OF VALUE FOR MONEY

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

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

Improving educational outcomes:

A comprehensive review of the arrangements for targeted support has been undertaken. The School has evaluated the additional provision allocated to children; this could be for children with SEND, children classified as Academically More Able or any child who is not on track to meet their end of year target. As a result of the review, additional funding has been directed for the delivery of intervention programmes which are particularly effective whilst those which have less impact have been removed.

The School has also refined its delivery of the National Curriculum in Literacy and Maths, based on findings from the SATs in May 2016. Funding has been used to purchase new resources to support this.

Actively seeking new providers:

The Academy has changed its payroll provider this year to a service which is less expensive than our previous provider but also more reliable.

The Academy has also changed NQT provider, having compared the different packages available, opting for a high quality provider which also includes a comprehensive CPD programme within the package.

Responding pro-actively to the challenges presented by reductions in income and increased fixed costs of pensions:

Like all academies, Buttsbury Junior School's budget has been reduced this year and the Academy also faces the problem of increased employment costs. The Governors have been robust in their challenge of spending and budget allocation to ensure that the Academy was able to set a balanced budget for 2016-2017. Looking forward, careful financial planning, via a three-year plan, helps the Academy to ensure that it will continue to provide good value for money over a sustained period.

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GOVERNANCE STATEMENT (continued)

The Governors are always looking for ways to generate or access additional income. This year, the Academy has:

- Reviewed lettings rates to keep them in line with current market rates.
- Invested funds in two interest-bearing deposit accounts for funds not needed in the short term.
- Increased the use of the School during closure periods, for lettings.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Buttsbury Junior School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance 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; and
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

The checks to be performed during the year were agreed with Essex County Council, who delivered this schedule of works as planned and no material control issues were identified.

On a termly basis, the Internal Auditor reports to the Governing Body through the Audit Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- The work of the Internal Auditor;
- The work of the external Auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Governing Board on 14 December 2017 and signed on their behalf, by:

Mr M McGowan
Chair of Trustees

Mrs A Robinson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Buttsbury Junior School I have considered my responsibility to notify the Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

Mrs A Robinson
Accounting Officer

Date: 14 December 2017

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

The Trustees (who act as Governors of Buttsbury Junior School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Governing Body on 14 December 2017 and signed on its behalf by:

Mr M McGowan
Chair of Governors

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUTTSBURY JUNIOR SCHOOL**

OPINION

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BUTTSBURY JUNIOR SCHOOL**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report), for which the financial statements have been prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, We have not identified material misstatements in the Strategic Report including the Directors' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants and Statutory Auditors
Causeway House, 1 Dane Street
Bishop's Stortford, Hertfordshire, CM23 3BT
15 December 2017

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BUTTSBURY JUNIOR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, We have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Buttsbury Junior School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF BUTTSBURY JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

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

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

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BUTTSBURY JUNIOR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

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

Reporting Accountant

Price Bailey LLP

Chartered Accountants

15 December 2017

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	82,701	20,039	102,740	454,889
Charitable activities	3	117,293	1,763,101	-	1,880,394	1,887,112
Other trading activities	4	50,373	-	-	50,373	53,513
Investments	5	2,757	-	-	2,757	1,347
TOTAL INCOME		<u>170,423</u>	<u>1,845,802</u>	<u>20,039</u>	<u>2,036,264</u>	<u>2,396,861</u>
EXPENDITURE ON:						
Charitable activities		<u>136,047</u>	<u>1,950,802</u>	<u>527,228</u>	<u>2,614,077</u>	<u>2,241,526</u>
TOTAL EXPENDITURE	6	<u>136,047</u>	<u>1,950,802</u>	<u>527,228</u>	<u>2,614,077</u>	<u>2,241,526</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		34,376	(105,000)	(507,189)	(577,813)	155,335
Actuarial gains/(losses) on defined benefit pension schemes	22	<u>-</u>	<u>303,000</u>	<u>-</u>	<u>303,000</u>	<u>(438,000)</u>
NET MOVEMENT IN FUNDS		<u>34,376</u>	<u>198,000</u>	<u>(507,189)</u>	<u>(274,813)</u>	<u>(282,665)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>333,804</u>	<u>(1,236,000)</u>	<u>3,940,655</u>	<u>3,038,459</u>	<u>3,321,124</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>368,180</u></u>	<u><u>(1,038,000)</u></u>	<u><u>3,433,466</u></u>	<u><u>2,763,646</u></u>	<u><u>3,038,459</u></u>

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07601846

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		3,433,466		3,574,666
CURRENT ASSETS					
Stocks	13	637		798	
Debtors	14	52,199		136,750	
Cash at bank and in hand	20	496,101		726,648	
			<u>548,937</u>	<u>864,196</u>	
CREDITORS: amounts falling due within one year	15	(174,510)		(157,115)	
NET CURRENT ASSETS			<u>374,427</u>		<u>707,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,807,893</u>		<u>4,281,747</u>
CREDITORS: amounts falling due after more than one year	16		(6,247)		(7,288)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,801,646</u>		<u>4,274,459</u>
Defined benefit pension scheme liability	22	(1,038,000)		(1,236,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>2,763,646</u>		<u>3,038,459</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds excluding pension liability			3,433,466	3,940,655	
Pension reserve		(1,038,000)		(1,236,000)	
Total restricted income funds			<u>2,395,466</u>	<u>2,704,655</u>	
Unrestricted income funds	17		368,180		333,804
TOTAL FUNDS			<u>2,763,646</u>		<u>3,038,459</u>

The financial statements on pages 19 to 39 were approved by the Trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Mr M McGowan
Chair

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(233,304)	303,368
Returns on investments and servicing of finance			
Interest recieved		2,757	1,347
Purchase of tangible fixed assets		-	(17,359)
Net cash provided by/(used in) investing activities		2,757	(16,012)
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		726,648	439,292
Cash and cash equivalents carried forward		496,101	726,648

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Buttsbury Junior School constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

1.3 Income

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

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

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

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

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

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

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	-	19.65 - 50 years straight line
Fixtures and fittings	-	5 - 20 years straight line
Computer equipment	-	3 - 5 years straight line

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

Freehold land is not depreciated.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions (continued)

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

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

1.14 Agency arrangements

The Academy holds third party funds on behalf of the Bilericay Community Trust. Payments received from the Bilericay Community Trust and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds.

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BUTTSBURY JUNIOR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	82,701	-	82,701	79,342
Capital grants	-	20,039	20,039	375,547
	<u>82,701</u>	<u>20,039</u>	<u>102,740</u>	<u>454,889</u>
<i>Total 2016</i>	<u>79,342</u>	<u>375,547</u>	<u>454,889</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,647,635	1,647,635	1,679,139
Other DfE / ESFA grants	-	71,503	71,503	50,933
	<u>-</u>	<u>1,719,138</u>	<u>1,719,138</u>	<u>1,730,072</u>
Other government grants				
Local Authority grants	-	43,963	43,963	37,169
	<u>-</u>	<u>43,963</u>	<u>43,963</u>	<u>37,169</u>
Other funding				
Catering income	117,293	-	117,293	119,871
	<u>117,293</u>	<u>-</u>	<u>117,293</u>	<u>119,871</u>
	<u>117,293</u>	<u>1,763,101</u>	<u>1,880,394</u>	<u>1,887,112</u>
<i>Total 2016</i>	<u>119,871</u>	<u>1,767,241</u>	<u>1,887,112</u>	

BUTTSBURY JUNIOR SCHOOL
(A Company Limited by Guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental income	29,119	29,119	28,596
Other income	21,254	21,254	24,917
	<u>50,373</u>	<u>50,373</u>	<u>53,513</u>
<i>Total 2016</i>	<u>53,513</u>	<u>53,513</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	2,757	2,757	1,347
	<u>1,347</u>	<u>1,347</u>	
<i>Total 2016</i>	<u>1,347</u>	<u>1,347</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct costs	1,329,669	-	203,179	1,532,848	1,361,936
Support costs	299,153	574,300	207,776	1,081,229	879,590
	<u>1,628,822</u>	<u>574,300</u>	<u>410,955</u>	<u>2,614,077</u>	<u>2,241,526</u>
<i>Total 2016</i>	<u>1,492,675</u>	<u>407,837</u>	<u>341,014</u>	<u>2,241,526</u>	

7. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs	1,532,848	1,361,936
Support costs	1,081,229	879,590
	<u>2,614,077</u>	<u>2,241,526</u>
Total	<u>2,614,077</u>	<u>2,241,526</u>

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Analysis of support costs	2017 £	2016 £
Support staff costs	299,153	283,743
Depreciation	141,200	140,998
Technology costs	-	1,607
Premises costs (excluding depreciation)	433,100	266,839
Other support costs	202,009	178,153
Governance costs	5,767	8,250
	<u>1,081,229</u>	<u>879,590</u>
Total	<u>1,081,229</u>	<u>879,590</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	141,200	140,998
Auditors' remuneration - audit	4,450	4,450
Auditors' remuneration - non- audit	4,000	3,800
	<u>149,650</u>	<u>153,048</u>

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9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,246,722	1,176,021
Social security costs	90,949	77,810
Other pension costs	285,449	217,271
	1,623,120	1,471,102
Supply teacher costs	3,806	9,343
Agency supply staff	1,896	12,230
	1,628,822	1,492,675

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

	2017	2016
	No.	No.
Teachers	19	22
Administration & support	58	56
Management	3	2
	80	80

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

	2017	2016
	No.	No.
In the band £ 60,001 - £ 70,000	0	1
In the band £ 70,001 - £ 80,000	1	0

The key management personnel of the Academy comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £426,452 (2016: £413,926).

Included in the above are employer national insurance contributions of £35,783 (2016: £32,981)

Included in the above are employer pension contributions of £57,982 (2016: £53,898)

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10. TRUSTEES' REMUNERATION AND EXPENSES

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

Ms S Lavelle

Remuneration £50,000-£55,000 (2016: £45,000 - £50,000)
Employer's pension contributions paid £5,000-£10,000 (2016: £5,000 - £10,000)

Mrs A Robinson

Remuneration £70,000-£75,000 (2016: £65,000-£70,000)
Employer's pension contributions paid £10,000-£15,000 (2016: £10,000-£15,000)

Mrs F Cripps

Remuneration £Nil (2016: £10,000-£15,000)
Employer's pension contributions paid £Nil (2016: £0-£5,000)

During the period ended 31 August 2017, travel and subsistence expenses totalling £13 (2016: £38) were reimbursed or paid directly to 1 trustee (2016: 2 trustees).

Other related party transactions involving the Trustees are set out in note 24.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016 and 31 August 2017	3,962,227	82,567	151,421	4,196,215
Depreciation				
At 1 September 2016	516,577	40,332	64,640	621,549
Charge for the year	103,083	9,369	28,748	141,200
At 31 August 2017	619,660	49,701	93,388	762,749
Net book value				
At 31 August 2017	3,342,567	32,866	58,033	3,433,466
At 31 August 2016	3,445,650	42,235	86,781	3,574,666

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13. STOCKS

	2017	2016
	£	£
Catering goods for resale	637	798
	<u>637</u>	<u>798</u>

14. DEBTORS

	2017	2016
	£	£
Trade debtors	5,364	1,139
VAT control account	2,950	18,517
Prepayments and accrued income	43,885	117,094
	<u>52,199</u>	<u>136,750</u>

15. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Other taxation and social security	23,661	28,833
Billericay Trust balance	65,913	74,160
Other creditors	1,040	18,608
Accruals and deferred income	83,896	35,514
	<u>174,510</u>	<u>157,115</u>

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	17,351	16,074
Resources deferred during the year	29,981	17,351
Amounts released from previous years	(17,351)	(16,074)
	<u>29,981</u>	<u>17,351</u>
Deferred income at 31 August 2017	<u>29,981</u>	<u>17,351</u>

The income deferred in the year principally related to lettings, educational visits and catering.

16. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Salix loan	6,247	7,288
	<u>6,247</u>	<u>7,288</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017	2016
	£	£
Salix loan	2,087	3,128
	<u>2,087</u>	<u>3,128</u>

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17. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers/ Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds					
Unrestricted funds	333,804	170,423	(136,047)	-	368,180

Restricted funds

	Brought forward £	Income £	Resources expended £	Transfers/ Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	1,647,635	(1,647,635)	-	-
Other Government grants	-	43,963	(43,963)	-	-
Restricted trip donations	-	63,368	(63,368)	-	-
Restricted other	-	19,333	(19,333)	-	-
Other DfE and ESFA funding	-	71,503	(71,503)	-	-
Pension reserve	(1,236,000)	-	(105,000)	303,000	(1,038,000)
	(1,236,000)	1,845,802	(1,950,802)	303,000	(1,038,000)

Restricted fixed asset funds

	Brought forward £	Income £	Resources expended £	Transfers/ Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset fund	3,574,666	-	(141,200)	-	3,433,466
Devolved Formula Capital (DFC)	-	9,569	(9,569)	-	-
ESFA capital grant	365,989	10,470	(376,459)	-	-
	3,940,655	20,039	(527,228)	-	3,433,466
Total restricted funds	2,704,655	1,865,841	(2,478,030)	303,000	2,395,466
Total of funds	3,038,459	2,036,264	(2,614,077)	303,000	2,763,646

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Resources expended £	Transfers/ Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds					
Unrestricted funds	321,017	174,731	(161,944)	-	333,804
	321,017	174,731	(161,944)	-	333,804

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17. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought Forward £	Income £	Resources expended £	Transfers/ Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	1,679,139	(1,661,780)	(17,359)	-
Other Government grants	-	37,169	(37,169)	-	-
Restricted trip donations	-	58,447	(58,447)	-	-
Restricted other	-	20,895	(20,895)	-	-
Other DfE and ESFA funding	-	50,933	(50,933)	-	-
Pension reserve	(746,000)	-	(52,000)	(438,000)	(1,236,000)
	<u>(746,000)</u>	<u>1,846,583</u>	<u>(1,881,224)</u>	<u>(455,359)</u>	<u>(1,236,000)</u>

Restricted fixed asset funds

	Brought Forward £	Income £	Resources expended £	Transfers/ Gains/ (losses) £	Balance at 31 August 2016 £
Restricted fixed asset fund	3,698,305	-	(140,998)	17,359	3,574,666
Devolved Formula Capital (DFC)	-	9,558	(9,558)	-	-
ESFA capital grant	47,802	365,989	(47,802)	-	365,989
	<u>3,746,107</u>	<u>375,547</u>	<u>(198,358)</u>	<u>17,359</u>	<u>3,940,655</u>
Total restricted funds	<u>3,000,107</u>	<u>2,222,130</u>	<u>(2,079,582)</u>	<u>(438,000)</u>	<u>2,704,655</u>
Total of funds	<u>3,321,124</u>	<u>2,396,861</u>	<u>(2,241,526)</u>	<u>(438,000)</u>	<u>3,038,459</u>

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

Other Government grants

This represents funding received from other government bodies, local and national, which are restricted in nature.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Academy and the associated costs.

Other DfE and ESFA funding

This represents funding received from the DfE / ESFA which is restricted in nature.

Pension reserve

This reserve represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Academy. The transfer between funds represents additions purchased through GAG funding.

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17. STATEMENT OF FUNDS (continued)

Devolved Formula Capital (DFC)

This represents funding received from the ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

ESFA capital grant

This represents funding from the ESFA for a specific capital project.

Restricted other

This represents small donations received in the year for specific purposes.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,433,466	3,433,466
Current assets	387,033	154,617	7,287	548,937
Creditors due within one year	(18,853)	(154,617)	(1,040)	(174,510)
Creditors due in more than one year	-	-	(6,247)	(6,247)
Provisions for liabilities and charges	-	(1,038,000)	-	(1,038,000)
	<u>368,180</u>	<u>(1,038,000)</u>	<u>3,433,466</u>	<u>2,763,646</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	3,574,666	3,574,666
Current assets	442,883	46,996	374,317	864,196
Creditors due within one year	(109,079)	(46,996)	(1,040)	(157,115)
Creditors due in more than one year	-	-	(7,288)	(7,288)
Provisions for liabilities and charges	-	(1,236,000)	-	(1,236,000)
	<u>333,804</u>	<u>(1,236,000)</u>	<u>3,940,655</u>	<u>3,038,459</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(577,813)	155,335
Adjustment for:		
Depreciation charges	141,200	140,998
Returns on investments and servicing of finance	(2,757)	(1,347)
Decrease in stocks	161	-
Decrease/(increase) in debtors	81,621	(72,624)
Increase in creditors	19,284	29,006
Pension adjustments	105,000	52,000
	(233,304)	303,368
Net cash (used in)/provided by operating activities	(233,304)	303,368

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	496,101	726,648
Total	496,101	726,648

21. 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.

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £23,661 were payable to the schemes at 31 August 2017 (2016 - 23,893) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £124,680 (2016 - £121,152).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £104,000 (2016 - £95,000), of which employer's contributions totalled £81,000 (2016 - £74,000) and employees' contributions totalled £23,000 (2016 - £21,000). The agreed contribution rates for future years are 22% for employers and 5.5-6.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (RPI)	3.60 %	3.20 %

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22. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	(38,000)	(38,000)
Discount rate -0.1%	39,000	39,000
Mortality assumption - 1 year increase	57,000	47,000
Mortality assumption - 1 year decrease	(55,000)	(45,000)
CPI rate +0.1%	32,000	32,000
CPI rate -0.1%	(31,000)	(31,000)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	424,000	337,000
Gilts	41,000	18,000
Other bonds	25,000	22,000
Property	63,000	55,000
Cash and other liquid assets	20,000	15,000
Assets	50,000	22,000
Other funds	28,000	24,000
Total market value of assets	651,000	493,000

The actual return on scheme assets was £85,000 (2016 - £58,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(160,000)	(98,000)
Interest income	13,000	16,000
Interest cost	(39,000)	(44,000)
Total	(186,000)	(126,000)

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22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	1,729,000	1,095,000
Current service cost	160,000	98,000
Interest cost	39,000	44,000
Employee contributions	23,000	21,000
Actuarial (gains)/losses	(316,000)	480,000
Benefits paid	54,000	(9,000)
	<u>1,689,000</u>	<u>1,729,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	493,000	349,000
Interest income	13,000	16,000
Actuarial gains/(losses)	(13,000)	42,000
Employer contributions	81,000	74,000
Employee contributions	23,000	21,000
Benefits paid	54,000	(9,000)
	<u>651,000</u>	<u>493,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	6,639	7,039
Between 1 and 5 years	5,612	12,251
	<u>12,251</u>	<u>19,290</u>

24. RELATED PARTY TRANSACTIONS

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

Any transactions where the Governor has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

During the year various education related services totaling £Nil (2016: £731) were purchased from Buttsbury Infant School, of which Mr McGowan and Mr L Sheppard are both Governors. All transactions were deemed to be 'at cost'. At the year end, £NIL (2016 - £Nil) has been carried forward as prepaid expenditure.

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25. AGENCY ARRANGEMENTS

The Academy holds funds on behalf of the Bilericay Community Trust, a third party. In the accounting period ending 31 August 2017 the Academy received £47,998 (2016: £104,956) and disbursed £56,245 (2016: £30,825) from the fund. An amount of £65,913 (2016: £74,161) is included in other creditors relating to undistributed funds that is repayable to the Bilericay Community Trust.