

**Company Registration No. 08476253 (England and Wales)**

**GRAHAM JAMES PRIMARY ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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

# **GRAHAM JAMES PRIMARY ACADEMY**

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# GRAHAM JAMES PRIMARY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Trustees</b>	B Lane (Chair of Governors ) P Back (Accounting Officer & Headteacher) T Myers H Fonfara O Thurbon K S Bassett (Resigned 2 July 2018) S M Mansfield D G Wheatley A Sams (Resigned 29 January 2018) J Greaves (Appointed 18 March 2018)	
<b>Members</b>	K S Bassett (Resigned 2 July 2018) J Greaves (Appointed 18 March 2018) S M Mansfield A Sams (Resigned 29 January 2018) D G Wheatley T Myers B Lane H Fonfara P Back O Thurbon	
<b>Senior leadership team</b>	J Conroy B Burgess P Back R Turner K Lane M Walker	- Assistant Headteacher - School Business Manager - Headteacher - Deputy Head - Nursery Manager - Assistant Headteacher
<b>Company registration number</b>	08476253 (England and Wales)	
<b>Registered office</b>	Graham James Primary Academy The Sorrells Stanford-Le-Hope Essex SS17 7ES	
<b>Independent auditor</b>	Wilkins Kennedy Audit Services 1-5 Nelson Street Southend on Sea Essex SS1 1EG	
<b>Bankers</b>	Lloyds Bank PLC Stanford-le-Hope Branch PO Box 1000 Stanford-le-Hope BX1 1LT	

# **GRAHAM JAMES PRIMARY ACADEMY**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Stone King  
16 St John's Lane  
London  
EC1M 4BS



# GRAHAM JAMES PRIMARY ACADEMY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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

The academy trust operates an academy for pupils aged 2½ to 11 servicing a catchment area in Stanford-le-Hope & Corringham. It has a pupil capacity of 480 and had a roll of 475 in the school census on 17 May 2018.

#### **Structure, governance and management**

##### Constitution

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

The charitable company is known as Graham James Primary Academy.

The trustees of Graham James Primary Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

None

##### Method of recruitment and appointment or election of trustees

The members of the Academy Trust shall comprise the signatories to the Memorandum, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than three, but shall not be subject to a maximum. The first Governors were those named in the initial Memorandum. The Academy Trust shall have the following Governors; up to eleven other Governors; two Staff Governors, four parent Governors; the Headteacher, any Additional Governors if appointed under Article 62,62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to three Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Head Teacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

# **GRAHAM JAMES PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Governors depends on their existing experience. All new Governors are given a tour of the School and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

During their terms of office all Governors receive additional training, including from external training providers. Governors also undertake Governor visits to the School and meet with staff on a regular basis to keep themselves informed and updated.

### Organisational structure

The Structure consists of four levels; the Governors, the Senior Leadership Team, the Middle Leaders and the Curriculum Subject Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting a school development plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. During the year under review the Governors held ten meetings. The Governing Body also appointed two standing sub-committees; the Finance, Premises and Personnel and the Pupil and Curriculum Committee (the functions of which are referred to in the Governance Statement on page 11). The Governing Body also appoints other sub-committees as required. The Governing Body has also appointed a Clerk who attends at Governing Body meetings and who assists and advises Governors as appropriate.

The Senior Leadership Team comprises the Headteacher, the Deputy Headteacher, the Assistant Headteacher, Nursery Manager and the Academy Manager. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for middle and senior leader posts will contain at least one Governor. The Senior Leadership Team pay is set in line with the national pay scales.

Teacher's salaries are set by the Governing Body following Schools Pay and Conditions and are reviewed yearly in line with the Academy Performance Management/Appraisal procedure. The Academy Manager's salary is reviewed yearly in line Performance Management.

### Arrangements for setting pay and remuneration of key management personnel

Teacher's salaries are set by the Governing Body following Schools Pay and Conditions and are reviewed yearly in line with the Academy Performance Management/Appraisal procedure. The Business Manager's salary is reviewed yearly in line Performance Management.

### Related parties and other connected charities and organisations

Graham James Primary Academy is part of an umbrella trust with Abbots Hall Primary and Giffards Primary School. We work together towards mutual support and improved learning outcomes for all the children.



# **GRAHAM JAMES PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### **Objectives and activities**

#### **Objects and aims**

We are a two form entry primary school with a sixty place nursery that takes children from 2½ years.

The principal objective of the Academy is specifically restricted to the following, to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

We aim to foster a life-long love of learning, through adopting a highly practical and cross-curricular approach to learning.

Our main curriculum aims are:

- To provide a broad and balanced education so that every pupil achieves their full potential and makes progress wherever their starting points are.
- To ensure that all pupils enjoy their learning, are confident enough to take risks and are independent enough to make decisions about their own learning.
- To promote equality and a love of learning, our motto is 'caring to learn, learning to care'.
- To ensure all children are equipped with the skills they need to move on to their next phase in education and to value their community and how they can contribute positively to it.

#### **Objectives, strategies and activities**

The main priorities of the Academy during the year ended August 2018 are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and care.
- To raise the standard of educational achievement of all pupils with a continued focus on reading, writing and maths.
- To ensure all pupils in vulnerable groups attain and progress at least in line with or above national expectations for similar groups.
- To continue to raise standards of teaching so that more lessons are outstanding.
- To continue to improve the effectiveness of the Academy by regularly reviewing the curriculum and the organisational structure and to work in partnership with the other Academies in our Umbrella Trust to ensure consistency through moderation and training.
- To ensure staff receive the support they need to develop professionally and to offer support to other local schools and academies where required.
- To provide value for money for the funds expended.
- To comply with the statutory and curriculum requirements.
- To conduct the Academy business in accordance with the highest standards of integrity, probity and openness.

The Academy values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination or prejudice.

Graham James is an important part of the community. Our aim is for each individual, regardless of gender, race, culture and background, to reach their full potential in an inclusive environment. We have the support to try, the confidence to fail and the encouragement and challenge to reach our potential in a safe, stimulating and happy atmosphere. We believe in parents/carers as partners in education, value their knowledge of their child and recognise their role in the decision-making process. We are a team that work together to achieve high standards of learning, of moral and social behaviour and to develop a sense of value and high self-esteem.

Governors will contribute to the life of the school on a wider scale, acting as a critical friend to support the school in its drive towards outstanding.

# **GRAHAM JAMES PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy admits sixty pupils in to two Reception classes on the basis of the following criteria in priority order:

1. Looked After Children & previously looked after children
2. Catchment area siblings
3. Non-catchment area siblings
4. Catchment area children
5. Non-catchment area children

The school is heavily oversubscribed and in 2017 there were sixty four first choice applicants for sixty places, with waiting lists for other year groups and the Nursery.

### **Strategic report**

#### **Achievements and performance**

Pupil attainment at the Academy is in line with the national averages. Pupil progress is also in line.

#### **Early Years Foundation Stage**

Most children start at the school with skills that are below expectations for their age. Pupils attain standards that are broadly in line with National expectations by the end of the Foundation Stage (Reception Year).

#### **Key Stage 1**

Overall attainment at Key Stage 1 were broadly in line with National in reading, writing and maths.

#### **Key Stage 2**

The school's end of Year 6 results in reading writing and maths in line with national average. Progress from the end of Key Stage 1 to the end of Key Stage 2 was broadly in line with national for expected progress.

Other achievements at the school during the 2017-2018 academic year include:-

- a) Series of extremely well received performances/presentations throughout the year which included:-
  - Harvest and Easter services KS1 & KS2, Christmas performances/ KS1/2 carol concerts, Year 6 Leavers assembly and Class assemblies across all Year groups.
- b) Participation and success in events and competitions beyond the school:-
  - Sporting successes- e.g. football, athletics, cross country
  - Music- Choir competing in local competition
- c) Continued improvement in the quality of school meals since the Academy has adopted their own menu
- d) Strong support given to local schools by Head Teacher (LLE)

To ensure that standards are continually improving the Academy undertakes regular internal reviews of the curriculum and of teaching and learning which includes classroom observation, pupil work scrutiny and the analysis of pupil achievement data. The Academy is part of an umbrella Trust & Thurrock Teaching School Alliance.

- Pupils attend regularly and behave well both in lessons and around the school. They say they feel safe in school. The Headteacher, leadership team and governors work closely and very effectively together to make sure that teaching and achievement continue to improve.
- Parents and carers are positive about the school. They believe that their children are happy in school and are being taught well.

# **GRAHAM JAMES PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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### Key financial performance indicators

The main KPI is the Ofsted Framework for Inspection and the school evaluates each area on a regular basis.

Inspectors use four key judgements. These are:

- the achievement of pupils at the school
- the quality of teaching in the school
- the behaviour and safety of pupils at the school
- the quality of leadership in and management of the school

In addition, inspectors must also consider:

- the spiritual, moral, social and cultural development of pupils at the school
- the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:-
- pupils who have a disability for the purposes of the Equality Act 2010
- pupils who have special educational needs

The school is currently addressing the three aspects which are required for it to be outstanding. They are:

- Improve greater depth opportunities across the curriculum with problem solving at the heart of the curriculum
- Develop resilience and a growth mindset
- Improve attendance for children in receipt of PPG

### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees 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.

# GRAHAM JAMES PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Financial review

#### Financial position

The Academy held fund balances at 31 August 2018 of £1,054k (2017: £1,077k) comprising £165k (2017: £191k) of restricted funds and £191k (2017: £104k) of unrestricted general funds. Of the restricted funds, £1,410k (2017: £1,551k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £712k (2017: £769k) in deficit.

#### Financial report for the year

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total expenditure of £1,983k (2017: £1,918k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was deficit £55k (2017: deficit £67k).

At 31 August 2018 the net book value of fixed assets was £1,410k (2017: £1,551k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Essex Pension Fund, in which the Academy participates, The Academy's share of the fund's assets and liabilities shows a deficit of £712k at 31 August 2018 (2017: £769k). Of this sum, £218k was inherited by Graham James Primary Academy from Thurrock Council on 1st May 2013, the date the local authority's staff transferred to employment with 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 Governors have determined that the appropriate level of free reserves should whenever possible be equivalent to four weeks' expenditure, approximately £156k (2017: £150k). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of free reserves is £356k (2017: £295k) (total funds less the amount held in fixed assets and restricted funds). The Academy will review the reserves policy on an annual basis. The Academy have higher reserves due to saving for future years budgets where there may be uncertainty with government grants and what will be received.

#### Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest in the name of the Academy Trust such part of the funds as they may see fit. The Academy aims to have a positive cash balance to cover eventualities and unforeseen expenses not budgeted for and hence not included in the cash flow. It is the responsibility of the School Management to generate as much bank interest as possible from any cash balances that the school may have. Investments though must guarantee complete integrity of funds and be consistent with the ethos, aims and objectives of the school. Investments other than bank deposits must be approved by the Governing body before being entered into.



# **GRAHAM JAMES PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Principal risks and uncertainties

The financial risks to which Graham James Primary Academy is exposed to relate primarily to a shortfall in pupil numbers, cash flow, government funding changes and policy.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £769k.

### **Risk management**

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and educational visits) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Directors have put in place a reserves policy that has ring-fenced £156k (to be increased in Nov FGM as payroll has increased) as a cushion against reduced funding and cashflow shortfalls in future. There has been a review of leadership and management to address Key Management succession plans. Where significant financial risk still remains they have ensured they have adequate insurance cover through Zurich.

The principal risks and uncertainties that Graham James Primary Academy faces are mitigated by the risk management process that the Academy Trust has in place reviewing the school's risk register on a regular basis.

### **Fundraising**

The majority of fundraising for the Trust is undertaken by the Parent Association, this is a separate body to the Trust but is subject to the same provisions of the Charities Act 2016.

The Trust undertakes a few fundraising activities each year, these include Christmas Concerts, non-uniform days (although these funds are raised for other nominated charities) and an annual Summer and Christmas Fete. These activities are closely monitored and set up in line with accepted fundraising practice.

The Trust monitors its small fundraising activities through periodic budget reports which are reviewed by the Senior Leadership Team. No complaints have ever been received for any fundraising activities at the school. The Trust only ever asks for voluntary contributions towards its fundraising and would never discriminate against any student or parent who did not want to contribute towards any activity. Fundraising requests tend to be made via our Newsletter and by email and not face to face so we do not place undue pressure on individuals to donate.

# GRAHAM JAMES PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Plans for future periods

The Academy will continue striving to improve the levels of performance of its pupil at all levels and will continue its efforts to ensure its pupils are well prepared for secondary school when they leave.

The Academy has a very clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning combined with its recent Ofsted inspection. The School Development plan (SDP) has all the correct areas identified for improvement and is based on regular analysis of data which is carefully analysed by the head Teacher and the senior staff. The SDP is regularly monitored and amended annually by the SLT and Governors. It is underpinned by appropriate budget links. The priorities for the 2017-2018 academic year are:-

1. To raise attainment and achievement in Reading to support the growth of the school and the new pupils joining us part way through Key Stage 2
2. To raise attainment and achievement in Writing & Maths taking into account the new children arriving across the Academy
3. To develop effective and sophisticated analysis systems of assessment
4. To embed effective Assessment For Learning Strategies
5. To ensure consistency as the Academy grows in size.
6. To develop Middle Leadership and Management structures
7. To consider curriculum links to improve the creative approach to planning the curriculum
8. To ensure improvements to disability access continue
9. External Repair and Painting
10. Internal Decoration

### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Wilkins Kennedy Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 30 Dec 2018 and signed on its behalf by:



B Lane  
Chair of Governors



# GRAHAM JAMES PRIMARY ACADEMY

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Graham James Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of possible
B Lane (Chair of Governors )	7	7
P Back (Accounting Officer & Headteacher)	7	7
T Myers	6	7
H Fonfara	4	6
O Thurbon	6	6
K S Bassett (Resigned 2 July 2018)	3	7
S M Mansfield	3	6
D G Wheatley	1	6
A Sams (Resigned 29 January 2018)	0	3
J Greaves (Appointed 18 March 2018)	1	2

- The Governing Body is responsible for holding the Head Teacher and SLT to account for standards and value for money.
- The Governing Body has carried out a skills audit and is comprised of public and private sector workers.
- The skills audit led to training for Governors on Data to enable them to scrutinise the data and provide strategic support and challenge to the Academy.
- The Governing Body have successfully supported the Academy during the expansion from 1 to 2 forms of entry. Next steps require expanding the Board to ensure full representation.
- The Board uses internal data supplied by the Academy to scrutinise performance and progress internally. It also uses the Governors Dashboard to compare to national performance indicators. This data enables the Board to ensure the Academy is held to account both for progress and attainment.
- The Academy Manager supplies the Board with financial information to ensure value for money and viability. The Academy Manager also benchmarks regularly both locally and across county.

### 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.

# **GRAHAM JAMES PRIMARY ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

### **Improving Educational Results**

#### **Targeted Improvement**

We regularly review the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced to give the pupils the best educational opportunities as they move through all phases at the Academy. We regularly review the curriculum to ensure it is broad and balanced and provides the pupils with all the skills they need for the next phase in their academic journey. We continue to work with the other Academies in our Umbrella Trust and have joined together for school improvement projects and training to ensure the best value for money and training opportunities.

#### **Focus on Individual Pupils**

We ensure all pupils receive quality first teaching and support. Our SENCO and her team provide quality interventions to those children that require additional support both learning and social. We deploy qualified and experienced teaching staff to support children with additional needs and those that are more able to ensure all pupils make the most progress they can. We have expanded our support staff team to meet the needs of our expanding school and the varying needs of the children.

#### **Collaboration**

We have worked closely with the other academies in our Umbrella Trust to provide support to pupils, to provide CPD for staff to raise standards and to join together for financial best value also. The Academy also works closely with other local schools under the Cluster arrangement which has provided continued CPD for all staff and leadership teams. We have shared data across the Umbrella Trust and moderated assessments.

#### **New Initiatives**

We continue to investigate ways to improve our provision and have worked hard to produce a relevant curriculum that meets the needs of our children and their families. We have invested our Sport Premium Funding with West Ham Football Club who have enhanced the curriculum in many ways from PE to improving Self Esteem.

#### **Quantifying Improvements**

Our attainment and progress continues to be within the National Average figures and above. We continue to strive to improve standards year on year and this is evidenced in our results at both keystages. We were judged outstanding for behaviour and safety in our most recent Ofsted inspection. The academy trust continues to ensure this level is maintained and improved on by continued professional development and collaboration with local primary schools.

# **GRAHAM JAMES PRIMARY ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Financial Governance and Oversight**

Our financial governance and oversight is strong, with a high level of expertise on our Governing Body and Finance Governors Sub-Committee.

Accounts are prepared and presented to the Governing Body at every meeting of the Finance Sub-Committee and are discussed and agreed.

Spending proposals are costed and presented to Senior Leaders/Governors and challenged appropriately. Governors have instructed Internal Control Audits termly which are overseen by the Finance Committee and any recommendations are considered.

### **Better Purchasing**

The Business Manager has been influential in driving down costs through better procurement and negotiations throughout the year.

### **Fitness for Purpose**

All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our academy. We continue to pursue contracts that can be negotiated across the Umbrella Trust.

### **Benchmarking**

The Academy spend is benchmarked against other academies and areas where we over or under spend have been investigated and assurances provided that the spend is appropriate to our Academy.

### **Options Appraisal**

The Academy ensures the tendering process is strictly followed in line with our Financial Regulations and policies. All required quotes are obtained and reviewed to ensure the best value for money is achieved. Governors provide support and challenge on all decisions to ensure this is the case.

### **Economies of Scale**

The Trust continues to work with the Umbrella Trust partners to consider any opportunities to reduce and share administration and procurement costs.

### **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 Graham James Primary 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 trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing 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 trustees.

# GRAHAM JAMES PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **The risk and control framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed an auditor from Essex County Council as Internal Auditor (IA). The IA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the IA reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

All planned work was carried out and no material control issues were discovered.

### **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 work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 03/12/18..... and signed on its behalf by:



B Lane  
Chair of Governors



P Back  
Accounting Officer & Headteacher

# **GRAHAM JAMES PRIMARY ACADEMY**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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



P Back  
**Accounting Officer**

03/12/18

# GRAHAM JAMES PRIMARY ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 3/12/18 and signed on its behalf by:



B Lane

Chair of Governors

# **GRAHAM JAMES PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM JAMES PRIMARY ACADEMY**

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### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy 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 the 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 'Auditor's 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.



# **GRAHAM JAMES PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM JAMES PRIMARY ACADEMY (CONTINUED)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of 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 trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees 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 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# GRAHAM JAMES PRIMARY ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAHAM JAMES PRIMARY ACADEMY (CONTINUED)

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### Use of our report

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

*Wilkins Kennedy Audit Services*

Mandy Wilson FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy Audit Services

*14th December 2018*

Statutory Auditor

1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

# **GRAHAM JAMES PRIMARY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GRAHAM JAMES PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 27 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graham James 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 Graham James Primary Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Graham James Primary Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Graham James Primary Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Graham James Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Graham James Primary Academy's funding agreement with the Secretary of State for Education dated 1 May 2013 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 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# GRAHAM JAMES PRIMARY ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GRAHAM JAMES PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

*Wilkins Kennedy Audit Services*

### Reporting Accountant

Wilkins Kennedy Audit Services  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Dated: *14th December 2018*

# GRAHAM JAMES PRIMARY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	31	39	8	78	79
Charitable activities:						
- Funding for educational operations	4	-	1,729	-	1,729	1,642
Other trading activities	5	129	-	-	129	136
<b>Total</b>		<u>160</u>	<u>1,768</u>	<u>8</u>	<u>1,936</u>	<u>1,857</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	73	1,910	145	2,128	2,060
<b>Total</b>	6	<u>73</u>	<u>1,910</u>	<u>145</u>	<u>2,128</u>	<u>2,060</u>
<b>Net income/(expenditure)</b>		87	(142)	(137)	(192)	(203)
Transfers between funds	15	-	4	(4)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	17	-	169	-	169	114
<b>Net movement in funds</b>		87	31	(141)	(23)	(89)
<b>Reconciliation of funds</b>						
Total funds brought forward		104	(578)	1,551	1,077	1,166
Total funds carried forward		<u>191</u>	<u>(547)</u>	<u>1,410</u>	<u>1,054</u>	<u>1,077</u>

# GRAHAM JAMES PRIMARY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017		Unrestricted Funds	Restricted funds:		Total 2017
	Notes	£'000	General £'000	Fixed asset £'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	34	39	6	79
Charitable activities:					
- Funding for educational operations	4	-	1,642	-	1,642
Other trading activities	5	136	-	-	136
<b>Total</b>		<u>170</u>	<u>1,681</u>	<u>6</u>	<u>1,857</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	73	1,845	142	2,060
<b>Total</b>	6	<u>73</u>	<u>1,845</u>	<u>142</u>	<u>2,060</u>
<b>Net income/(expenditure)</b>		97	(164)	(136)	(203)
Transfers between funds	15	-	(5)	5	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	17	-	114	-	114
<b>Net movement in funds</b>		97	(55)	(131)	(89)
<b>Reconciliation of funds</b>					
Total funds brought forward		7	(523)	1,682	1,166
Total funds carried forward		<u>104</u>	<u>(578)</u>	<u>1,551</u>	<u>1,077</u>

# GRAHAM JAMES PRIMARY ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	11	1,410	1,551
<b>Current assets</b>			
Debtors	12	30	58
Cash at bank and in hand		425	367
		<u>455</u>	<u>425</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(99)	(130)
<b>Net current assets</b>		356	295
<b>Net assets excluding pension liability</b>		<u>1,766</u>	<u>1,846</u>
Defined benefit pension liability	17	(712)	(769)
<b>Net assets</b>		<u>1,054</u>	<u>1,077</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	15		
- Fixed asset funds		1,410	1,551
- Restricted income funds		165	191
- Pension reserve		(712)	(769)
<b>Total restricted funds</b>		<u>863</u>	<u>973</u>
<b>Unrestricted income funds</b>	15	191	104
<b>Total funds</b>		<u>1,054</u>	<u>1,077</u>

The financial statements on pages 22 to 43 were approved by the trustees and authorised for issue on 03/12/18 and are signed on their behalf by:



B Lane  
Chair of Governors

Company Number 08476253

# GRAHAM JAMES PRIMARY ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	£'000	2017 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		54		78
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		8		6	
Purchase of tangible fixed assets		(4)		(11)	
<b>Net cash provided by/(used in) investing activities</b>			4		(5)
<b>Net increase in cash and cash equivalents in the reporting period</b>			58		73
Cash and cash equivalents at beginning of the year			367		294
<b>Cash and cash equivalents at end of the year</b>			425		367

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

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

Graham James Primary Academy meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants

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 period 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.

##### Donations

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

##### Other income

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



# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

#### Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	2% on cost
Computer equipment	15% on cost
Fixtures, fittings & equipment	20% on cost

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

#### 1.6 Liabilities

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

#### 1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 instrument.

#### 1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

#### 1.10 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 quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

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

#### 1.11 Fund accounting

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

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

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



# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### LGPS

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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.

#### Critical areas of judgement

There are no critical areas of judgement.

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Trip Income	30	2	32	35
Capital grants	-	8	8	6
Misc Income	1	37	38	38
	<u>31</u>	<u>47</u>	<u>78</u>	<u>79</u>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,397	1,397	1,409
Other DfE group grants	-	201	201	60
	<u>-</u>	<u>1,598</u>	<u>1,598</u>	<u>1,469</u>
<b>Other government grants</b>				
Local authority grants	-	131	131	173
	<u>-</u>	<u>131</u>	<u>131</u>	<u>173</u>
<b>Total funding</b>	<u>-</u>	<u>1,729</u>	<u>1,729</u>	<u>1,642</u>

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Nursery Income	101	-	101	109
Catering income	28	-	28	27
	<u>129</u>	<u>-</u>	<u>129</u>	<u>136</u>

### 6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	1,305	145	53	1,503	1,442
- Allocated support costs	327	118	180	625	618
	<u>1,632</u>	<u>263</u>	<u>233</u>	<u>2,128</u>	<u>2,060</u>

#### Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	5	5
- Other services	1	1
Depreciation of tangible fixed assets	145	142
Net interest on defined benefit pension liability	19	16
	<u>170</u>	<u>165</u>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Direct costs</b>				
Educational operations	-	1,503	1,503	1,442
<b>Support costs</b>				
Educational operations	73	552	625	618
	<u>73</u>	<u>2,055</u>	<u>2,128</u>	<u>2,060</u>

#### Analysis of costs

	2018 £'000	2017 £'000
<b>Direct costs</b>		
Teaching and educational support staff costs	1,305	1,229
Depreciation	145	142
Educational supplies and services	53	70
Examination fees	-	1
	<u>1,503</u>	<u>1,442</u>
<b>Support costs</b>		
Support staff costs	327	341
Recruitment and support	1	1
Maintenance of premises and equipment	96	99
Insurance	22	19
Catering	45	43
Finance costs	19	16
Other support costs	109	92
Governance costs	6	7
	<u>625</u>	<u>618</u>

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	1,239	1,183
Social security costs	97	102
Pension costs	279	270
	<u>1,615</u>	<u>1,555</u>
Staff costs	1,615	1,555
Agency staff costs	17	15
	<u>1,632</u>	<u>1,570</u>
<b>Total staff expenditure</b>	<u>1,632</u>	<u>1,570</u>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Staff

(Continued)

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	15	16
Administration and support	57	55
Management	6	5
	<u>78</u>	<u>76</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£80,000 - £90,000	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £387,437 (2017: £322,110).

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 September 2017	1,446	56	542	2,044
Additions	-	3	1	4
At 31 August 2018	1,446	59	543	2,048
<b>Depreciation</b>				
At 1 September 2017	121	17	355	493
Charge for the year	28	9	108	145
At 31 August 2018	149	26	463	638
<b>Net book value</b>				
At 31 August 2018	1,297	33	80	1,410
At 31 August 2017	1,325	39	187	1,551

Included in Land & Buildings at original cost/valuation are:  
Freehold Land £22k

### 12 Debtors

	2018 £'000	2017 £'000
VAT recoverable	5	9
Prepayments and accrued income	25	49
	30	58

### 13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	1	-
Other taxation and social security	49	43
Accruals and deferred income	49	87
	99	130



# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<b>14 Deferred income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	40	76
	<u>      </u>	<u>      </u>
Deferred income at 1 September 2017	76	30
Released from previous years	(76)	(30)
Resources deferred in the year	40	76
	<u>      </u>	<u>      </u>
<b>Deferred income at 31 August 2018</b>	<b>40</b>	<b>76</b>
	<u>      </u>	<u>      </u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meal, Nursery Income and Devolved Capital.

<b>15 Funds</b>	<b>Balance at 1 September 2017 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Balance at 31 August 2018 £'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	191	1,397	(1,427)	4	165
Other DfE / ESFA grants	-	201	(201)	-	-
Other government grants	-	131	(131)	-	-
Other restricted funds	-	39	(39)	-	-
Pension reserve	(769)	-	(112)	169	(712)
	<u>(578)</u>	<u>1,768</u>	<u>(1,910)</u>	<u>173</u>	<u>(547)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	1,551	8	(145)	(4)	1,410
	<u>1,551</u>	<u>8</u>	<u>(145)</u>	<u>(4)</u>	<u>1,410</u>
<b>Total restricted funds</b>	<u>973</u>	<u>1,776</u>	<u>(2,055)</u>	<u>169</u>	<u>863</u>
<b>Unrestricted funds</b>					
General funds	104	160	(73)	-	191
	<u>104</u>	<u>160</u>	<u>(73)</u>	<u>-</u>	<u>191</u>
<b>Total funds</b>	<u>1,077</u>	<u>1,936</u>	<u>(2,128)</u>	<u>169</u>	<u>1,054</u>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	225	1,409	(1,438)	(5)	191
Other DfE / ESFA grants	-	60	(60)	-	-
Other government grants	-	173	(173)	-	-
Other restricted funds	-	39	(39)	-	-
Pension reserve	(748)	-	(135)	114	(769)
	<u>(523)</u>	<u>1,681</u>	<u>(1,845)</u>	<u>109</u>	<u>(578)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	<u>1,682</u>	<u>6</u>	<u>(142)</u>	<u>5</u>	<u>1,551</u>
<b>Total restricted funds</b>	<u>1,159</u>	<u>1,687</u>	<u>(1,987)</u>	<u>114</u>	<u>973</u>
<b>Unrestricted funds</b>					
General funds	<u>7</u>	<u>170</u>	<u>(73)</u>	<u>-</u>	<u>104</u>
<b>Total funds</b>	<u>1,166</u>	<u>1,857</u>	<u>(2,060)</u>	<u>114</u>	<u>1,077</u>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Funds

(Continued)

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	225	2,806	(2,865)	(1)	165
Other DfE / ESFA grants	-	261	(261)	-	-
Other government grants	-	304	(304)	-	-
Other restricted funds	-	78	(78)	-	-
Pension reserve	(748)	-	(247)	283	(712)
	<u>(523)</u>	<u>3,449</u>	<u>(3,755)</u>	<u>282</u>	<u>(547)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	1,682	14	(287)	1	1,410
	<u>1,159</u>	<u>3,463</u>	<u>(4,042)</u>	<u>283</u>	<u>863</u>
<b>Total restricted funds</b>					
	<u>1,159</u>	<u>3,463</u>	<u>(4,042)</u>	<u>283</u>	<u>863</u>
<b>Unrestricted funds</b>					
General funds	7	330	(146)	-	191
	<u>1,166</u>	<u>3,793</u>	<u>(4,188)</u>	<u>283</u>	<u>1,054</u>
<b>Total funds</b>					
	<u>1,166</u>	<u>3,793</u>	<u>(4,188)</u>	<u>283</u>	<u>1,054</u>

### 16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,410	1,410
Current assets	290	165	-	455
Creditors falling due within one year	(99)	-	-	(99)
Defined benefit pension liability	-	(712)	-	(712)
<b>Total net assets</b>	<u>191</u>	<u>(547)</u>	<u>1,410</u>	<u>1,054</u>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	1,551	1,551
Current assets	234	191	-	425
Creditors falling due within one year	(130)	-	-	(130)
Defined benefit pension liability	-	(769)	-	(769)
<b>Total net assets</b>	<b>104</b>	<b>(578)</b>	<b>1,551</b>	<b>1,077</b>

### 17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 17 Pensions and similar obligations

(Continued)

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 employer's pension costs paid to the TPS in the period amounted to £104k (2017: £84k).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5 to 12.5% 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.

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	75	60
Employees' contributions	25	22
	<hr/>	<hr/>
Total contributions	100	82
	<hr/>	<hr/>
Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	3.8	4.2
Rate of increase for pensions in payment	2.3	2.7
Discount rate	2.65	2.6
	<hr/>	<hr/>

# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Pensions and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.3	22.9
- Females	24.8	24.7
Retiring in 20 years		
- Males	24.5	24.3
- Females	27.1	27

Scheme liabilities would have been affected by changes in assumptions as follows:

#### The academy trust's share of the assets in the scheme

	2018 Fair value £'000	2017 Fair value £'000
Equities	365	288
Bonds	33	17
Gilts	31	28
Cash	19	14
Property	51	43
Other assets	73	53
Total market value of assets	572	443

Actual return on scheme assets - gain/(loss)	30	76
----------------------------------------------	----	----

#### Amounts recognised in the statement of financial activities

	2018 £'000	2017 £'000
Current service cost	168	179
Interest income	(13)	(7)
Interest cost	32	23
Total operating charge	187	195



# GRAHAM JAMES PRIMARY ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pensions and similar obligations		(Continued)	
Changes in the present value of defined benefit obligations		2018 £'000	2017 £'000
Obligations at 1 September 2017		1,212	1,040
Current service cost		168	179
Interest cost		32	23
Employee contributions		25	22
Actuarial gain		(152)	(45)
Benefits paid		(1)	(7)
At 31 August 2018		<u>1,284</u>	<u>1,212</u>
Changes in the fair value of the academy trust's share of scheme assets		2018 £'000	2017 £'000
Assets at 1 September 2017		443	292
Interest income		13	7
Actuarial gain		17	69
Employer contributions		75	60
Employee contributions		25	22
Benefits paid		(1)	(7)
At 31 August 2018		<u>572</u>	<u>443</u>
18 Reconciliation of net expenditure to net cash flow from operating activities		2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)		(192)	(203)
Adjusted for:			
Capital grants from DfE/ESFA and other capital income		(8)	(6)
Defined benefit pension costs less contributions payable		93	119
Defined benefit pension net finance cost		19	16
Depreciation of tangible fixed assets		145	142
Decrease/(increase) in debtors		28	(39)
(Decrease)/increase in creditors		(31)	49
Net cash provided by operating activities		<u>54</u>	<u>78</u>

# **GRAHAM JAMES PRIMARY ACADEMY**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **19 Contingent liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

### **20 Related party transactions**

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

There are no related party transactions requiring disclosure within these accounts.

#### **Connected Parties**

The daughter of the Headteacher, Miss L Back, continued to be employed by the school as an employee of the Nursery and is paid in accordance with salary scale point 9 of the Thurrock pay scale.

The wife of the Chair of Governors Mrs K Lane, continued to be employed by the school as a Nursery Teacher and is paid in accordance with salary scale point 6 of the national pay scale.

The wife of a Staff Governor, Mrs K Thurbon, continued to be employed by the school as a Learning Support Assistant and is paid in accordance with salary scale point 13 of the Thurrock pay scale.

### **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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.