DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

Company Registration Number:

07667168 (England and Wales)

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

31ST AUGUST 2017

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DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31ST AUGUST 2017

Members (also Trustees):	**Category**
Mrs J Bradbury (Chairman)	Deanery Synod representative
Revd P French (Member only)	Diocesan Board of Education
Mrs J Luckett (Head Teacher and Accounting Officer)*	
Revd Dr M Rhodes	Area Dean representative
Revd S Doel	Incumbent of Walmley Parish Church
Mr A Linger *	Diocesan Governor Chairman of finance committee

Trustees:	
Mrs J Bradbury (Chairman)	Deanery Synod
Mr M Bessey *	Diocesan Board
Mr A Hewston	Deanery Synod
Mrs M Squire-Wood - resigned 22/3/17	Parent Governor
Miss A Morris - resigned 25/7/17	Staff Governor
Mrs J Luckett	Head Teacher
Cllr A M Waddington * - resigned 29/3/17	Diocesan Board
Mrs E Harrison	Appointed Governor
Mrs J Richardson - resigned 25/7/17	Support Staff
Mrs R Boon *	Elected Parent
Mrs R Smith	Elected Parent
Mrs H Patel *	Diocesan Board
Mr N Snowdon	Deanery Synod
Mrs E Hickling *	Staff (teaching)
Mrs C Rose	PCC
Mrs S Williams - resigned 13/6/17	Deanery Synod

* Members of the Finance Committee

Company Secretary	Mrs N Allison
Senior Leadership Team:	
Head Teacher	Mrs J Luckett
Deputy Head Teacher	Mrs K Cullen
Deputy Head Teacher	Miss A Morris
Business Manager	Mrs N Allison
SENCo and Inclusion Manager	Mr M Walker
Registered Office:	14 Fox Hollies Road Sutton Coldfield West Midlands B76 2RD
Company Registration Number:	07667168 (England and Wales)

Independent Auditor:	Harwoods Chartered Accountants 1 Trinity Place Midland Drive Sutton Coldfield West Midlands B72 1TX
Bankers:	The Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RF
Insurance Brokers:	Marsh Ltd Capital House 1-5 Perrymount Road Haywards Heath RH16 3SY

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST AUGUST 2017

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the year ended 31 August 2017.

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.

The trustees of Deanery Church of England Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Deanery Church of England Primary School.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to sub committees that are formerly constituted with terms of reference; namely -

- Finance and Audit Committee
- Pay Committee
- Personnel Committee
- Admissions Committee
- Buildings and Lettings Committee
- Curriculum Committee
- Children's Centre and Extended Services Committee

The sub committees meet at least termly and the Chairs of these committees report back to the full Governing Body meetings.

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.

The Academy Trust purchases indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

Principal Activities

Deanery C.E. Primary School, a Church of England school, provides education for pupils of different abilities between the ages of 3 and 11. Our pupils are drawn from families living and worshipping within the 12 parish churches of the Deanery of Sutton Coldfield, and the local area in accordance with our published admission criteria.

The Academy Trust's principal activity is specifically restricted to the following:

- Establishing, maintaining, carrying on, managing and developing a school with designated Church of England religious character.
- Offering a broad and balanced curriculum.
- Delivering religious education and daily acts of worship.
- Having regard to the advice of the Diocesan Board of Education.
- Promoting facilities for recreation or other leisure for families of Sutton Coldfield to improve family life.

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following trustees:

a) The Principal (Head Teacher)
b) 11 church trustees – 5 appointed by the Diocesan Board of Education
4 appointed by the Deanery Synod
1 appointed by the PCC of St John the Evangelist, Walmley
The incumbent of the Ecclesiastical Parish of Walmley
c) Up to 3 staff trustees – 2 teachers, 1 support staff
d) Up to 3 parent trustees
e) Up to 2 appointed trustees

The Head Teacher is an ex-officio Trustee.

Policies and Procedures Adopted for the Induction and Training of Trustees

Many of the current trustees of Deanery C.E. Primary School have considerable experience. A mentoring system is well established to support the induction and training of newly appointed and elected trustees.

The academy purchases support from the National Governors Association and in addition to this, phone support is purchased from School and Governor Support at Birmingham Local Authority. Support is also offered from Birmingham Diocesan Board of Education who provides regular courses and training for trustees. This all enhances and supports the in-house induction and training programme. Courses and training are also offered by Birmingham LA and other training providers and the Clerk informs each trustee about these. All newly appointed and elected trustees are invited to observe the working of all sub-committees before deciding which committee they could best serve.

Trustees are kept up to date with their legislative obligations and good practise through the above support services and by the Clerk to the Governing Body who attends regular courses. During the year the Trust Governor Portal was implemented, giving all trustees a central point for training details and all meeting and statutory documents.

Organisational Structure

The Governing Body is responsible for all major decisions about the Academy.

The Governing Body is responsible for setting all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of the Academy and monitors this. It receives regular reports from the Senior Leadership Team, including budget allocation and expenditure and other data updates including teaching and learning and achievement and standards.

A Financial Consultant undertakes regular independent audits and reports to the Head Teacher and the Governing Body. The Governing Body approves the statutory accounts. The levels of authorisation of budget spend are detailed in the 'Structure of Financial Management of the Head Teacher' reviewed by the Governing Body annually.

The day-to-day management of the academy is delegated by the Governing Body to the Head Teacher who is supported by the Senior Leadership Team which comprises; Head Teacher, two Deputy Head Teachers, Business Manager and Inclusion Manager.

A school evaluation is undertaken annually by the Senior Management Team and governors who are chairs of the main sub-committees. This is fed into the School Development Plan (SIP) which is discussed with all staff. The SIP is then developed and links into the budgeting process. The SIP is reviewed by the Curriculum Committee and approved by the full Governing Body. The Curriculum Committee reviews the progress of the plan as part of their regular work and uses a self-evaluation process which is conducted at the beginning of each academic year. The Buildings and Lettings Committee reviews the environmental and building part of the SIP

As a primary school, a high percentage of the academy's expenditure relates to staffing. The Staffing Structure is determined by the Governing Body working with the Head Teacher.

The SIP and the staffing structure feeds into Academy budget to ensure resources available to the school are targeted efficiently and effectively to maintain quality teaching and improve standards. The Head Teacher is the Accounting Officer and responsible for the day-to-day management of the academy.

Risk Management

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities, of teaching and the finances. The trustees have implemented a system to assess risks

that the school faces, especially in the operational areas which includes teaching, health and safety and in relation to the control of finance. The trustees have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Deanery C.E. Primary School. There are no sponsors. The Diocese advises and supports us as requested.

The Academy also runs Deanery Children's Centre which is a satellite provider of services for children and families in our area, under the management of Sutton Locality Children's Centre. It runs a limited number of core offer services from a small budget through Birmingham Local Authority. The Birmingham Local Authority are currently under a period of consultation regarding the future of Children's Centre provisions across Birmingham. The Children's Centre building is part of the school site and owned by the Academy. It also houses our successful before and after school club which is run and managed by the Academy. During 2016-17, following consultation, the school closed the Busy Berries pre-school facility.

The Academy works with many school networks both within the Birmingham LA (school to school networks, Head Teachers Sutton Consortium, North Birmingham Company schools) and across several Midland local authorities (COMFAS, Boldmere Teaching Schools Alliance) to further the principal activities of the Academy.

Objects and Aims

The principal object and activity of the charitable company is the operation of Deanery C.E. Primary School to provide education and care for pupils of different abilities between the ages of 3 and 11(see above note).

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things -

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, mathematics and science;
- that the school shall make provision for the teaching of religious education and provide a daily act of collective worship;
- that it provides education for pupils of different abilities;
- that it provides education for pupils who live and worship in the parish churches within the Deanery of Sutton Coldfield as laid out in our admission criteria;
- that it also provides education for pupils who live within the area of the school as laid out in out admissions criteria.
- Undertake statutory testing as directed by Government policy.

The Aims of the Academy during the year ended 31 August 2017 are summarised below -

The Vision Statement of Deanery C.E. Primary School is our school motto - 'Ad Majorem Dei Gloriam' - To the Greater Glory of God; we believe this to mean that everything we do, we do as a gift to God. Everyone in our school strives to reflect the 'Glory of God'.

Beliefs and Values

At the Deanery we believe everyone thrives in a happy, secure and caring environment. It is an essential part of our Christian ethos that peace, love, faith, joy, grace and hope should be the core values that everyone respects and agrees. We do this through the teaching of Jesus.

We believe that education, strengthened by our faith, is the vehicle with which children can achieve their full potential.

School Culture

At the Deanery we aim to provide opportunities and experiences for everyone to learn and develop their social, creative and academic skills within a motivating and stimulating environment.

We aim to -

- foster an environment that is enriched spiritually, morally and socially through the Christian faith;
- value each child as an individual, regardless of faith, ability, gender or ethnicity;
- nurture children to be polite, respectful and considerate towards one another;
- offer a range of opportunities and experiences to develop their confidence, self-esteem and independence;
- encourage each child to fulfil their individual potential within all areas of the curriculum;
- promote knowledge and understanding through a secure, stimulating and enriched environment;
- create a broad educational experience that is enriched both morally and spiritually through partnership with staff, trustees, parents, the local community, parishes of the Deanery and Church of England Birmingham Diocese;
- enable each child to value themselves and have aspirations for the future;
- recognise everyone's place in the wider community.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Achievements and Performance

Deanery C.E. Primary School converted to academy status as on OFSTED graded 'outstanding' school in August 2011. It was inspected by OFSTED in June 2013 and was again awarded 'outstanding' overall and in all areas.

Pupils' attainment and progress is very good; children in KS2 achieve well above national average in reading, writing and mathematics combined, with 80% achieving the expected standard against 61% nationally. Progress measures in reading, writing and mathematics from KS1 to KS2 are 0.9, 0.6 and 0.6 respectively, which is above 0, the average progress score for all mainstream pupils nationally.

The KS1 tests were based on teacher assessment, taking into consideration the scaled scores of statutory tests Deanery pupils achieved significantly higher than the national average in reading, writing and maths and also achieved good development standard (GDS) above national in all subjects and in the combined reading, writing and maths.

Phonics results at Year 1 continue to be above the national average and results of children who retake the check in Year 2 are also above national average. Our tracking continues to show consistent progress year on year.

Pupils' attainment at EYFS has been significantly above national expectations over the last five years. Attainment on admissions shows most Nursery children are in line with age-related expectation.

To ensure that standards are continually raised, the Academy -

- implements a whole school approach to self-evaluation;
- follows well established and clear assessment and monitoring policies and procedures which ensures all staff are accountable for the progress of all children;
- continually tracks individual progress of all children, including the identification of vulnerable groups and those receiving Pupil Premium;
- consistently evaluates trends and is proactive in meeting needs;
- plans thoroughly to meet all individual and group needs;
- sets individual, group, class and whole school targets that are challenging and aspirational;
- sets appropriate interventions and individual plans for children with Special Educational Needs and Disabilities, children with specific needs and Gifted and Talented children working closely with appropriate agencies;
- is committed to Continued Professional Development and outstanding performance of all staff through a well-established and rigorous Performance Management process;
- is challenged by an education consultant, leadership consortia and networks and the governors to ensure rigour.

Going Concern

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

Key Financial Performance Indicators

Pupil numbers

Pupil numbers have been consistently at the admissions number of 420 full time pupils for many years. The school has waiting lists for all year groups. Nursery has consistently filled its 52 part-time places, with a dip for September 2016 and 2017. This will be reviewed in light of government developments of full time Nursery places.

Financial Review

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our successful extended services, the before and after school club, the nursery wrap-around care and regular letting of both KS1 and KS2 halls after school and on Saturdays brings an income which is fed back into school to support the teaching and learning of our pupils.

The Academy also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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 useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2017, total expenditure of £2,157K was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £39K. These figures exclude the deficit on the Local Government Pension Scheme (see note 23 to the accounts).

At 31 August 2017 the net book value of fixed assets was £99K and 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.

Financial and Risk Management Objectives and Policies

The trustees have prepared a Risk Register which includes the financial risks to the school. The register and strategy are regularly reviewed by the senior management Team in light of any new information and will be formally reviewed annually by the Governing Body.

Principal Risks and Uncertainties

The principal financial risk facing the Academy is that funding is dependent upon pupil numbers. Historically the school has been oversubscribed and we do not envisage a change in this situation with the amount of families requesting school places in this area.

The Academy's future funding is also dependent upon Government Policy for Education. The impact, on Deanery C.E. Primary School, of current review of Schools' Funding, will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the academy's budget.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy is holding free reserves at 31 August 2017 of £ (1,107K).

This comprises

- Restricted Funds Deficit of £(1,670K)
- Unrestricted Funds of £464K
- Restricted Fixed Asset Funds of £99K

Restricted Funds comprises:

£ (118K) general funds to support the academy's budget in 2017-18

£ (1,552K) is the deficit on the defined benefit pension scheme.

Investment Policy

There are no material investments held by the Academy.

Plans for Future Years

Trustees recognise the impact of the learning environment and resources on the levels of pupil achievement and continue to develop and improve the teaching, learning and whole school environment in a continually evolving education system.

2016/17 saw the completion of the following:

- Installation of new stage lighting and sound systems in KS1 and KS2 Halls
- Investment in ICT for Pupils - Ipads and Laptops
- Installation of new Active panels in various classrooms

Objectives, Strategies and Activities

Trustees are committed to support and challenge the academy in order to maintain the extremely high levels of achievement the pupils currently attain.

The academy's Self Evaluation has identified school development focuses for the academic year 2017/18 which include -

- To continue to improve the quality of teaching, learning and assessment
- To continue to raise standards of achievement compared to schools locally
- To undertake specific development and adaptations necessary in light of new SIAMS inspection framework
- To ensure a broad and balanced curriculum through providing a selection of enrichment activities and skills to enhance the curriculum
- To develop the accessible outdoor space to provide every child with the opportunity to play and engage in a variety of physical activities in light of the increase in PE and Sport Premium

Funds held as Custodian Trustee on behalf of others

There are no Funds held as Custodian Trustee on behalf of others.

Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- The Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of this.
- PKF Cooper Parry Group Ltd have been appointed as auditors for 2017-18 in accordance with Section 487(2) of the Companies Act 2006.

Approved by order of the board of trustees on 6TH December 2017 and signed on its behalf by:

J. R. Bradbury

Mrs J Bradbury
Chairman

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2017

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher as Accounting Officer, for ensuring financial controls conform to 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 Deanery C.E. Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The Governing Body has met formally 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Bessey*	2	4
Mrs R Boon*	4	4
Mrs J Bradbury (chairman)	4	4
Mrs E Hickling*	4	4
Revd S Doel	2	4
Mrs E Harrison	3	4
Mr A Hewston	4	4
Mr A Linger	4	4
Mrs J Luckett	4	4
Miss A Morris	4	4
Mrs H Patel*	4	4
Revd Dr M Rhodes	2	4
Mrs J Richardson	4	4
Mrs C Rose	4	4
Mrs R Smith	3	4
Mr N Snowdon	2	4
Mrs M Squire-Wood	4	4
Cllr A M Waddington*	4	4
Mrs S Williams	2	2

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's 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 Deanery C.E. Primary School for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

The Trustees have appointed Chase House Education Services Limited to undertake internal audit services. This company's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the company reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

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

- the work of the internal audit service;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Business Manager who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 6th December 2017 and signed on its behalf by:

J. R. Bradbury

Mrs J Bradbury
Chairman of Trustees

J Luckett

Mrs J Luckett
Accounting Officer

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31ST AUGUST 2017

As accounting officer of Deanery Church of England Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.

Mrs J Luckett
Accounting officer
6th December 2017

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31ST AUGUST 2017

The trustees (who act as governors of Deanery Church of England Primary School and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

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.

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 6th December 2017 and signed on its behalf by

J. R. Bradbury

Mrs J Bradbury Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

FOR THE YEAR ENDED 31ST AUGUST 2017

Opinion

We have audited the financial statements of Deanery Church of England Primary School (the 'academy') for the year ended 31 August 2017 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' 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

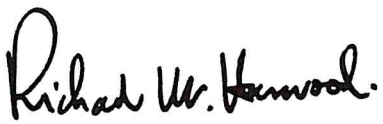
As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.



Richard F W Harwood FCA
Senior Statutory Auditor
For and on behalf of
Harwoods
Chartered Accountants
Statutory Auditor

1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

6th December 2017

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31ST AUGUST 2017

In accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Deanery Church of England Primary School during the period from 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Deanery Church of England Primary School's accounting officer and the reporting accountant

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

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.
The work undertaken to draw our conclusions includes:

- A review of the work undertaken and conclusions reached by Chase House Education Services Limited.
- A review of the minutes of the Finance and Audit Committee and other relevant committees to establish action taken on the reports of Chase House Education Services Limited and to establish that appropriate action taken.
- A review of accounting controls and procedures.
- A review of transactions to ensure compliance with Academies Financial Handbook.
- Meetings with the Accounting Officer to confirm full knowledge of Academies Financial Handbook.

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 from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Harwoods

Harwoods
Chartered Accountants
1 Trinity Place
Midland Drive
Sutton Coldfield
B72 1TX

6th December 2017

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST AUGUST 2017

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	**Total 2017 £000**	**Total 2016 £000**
Income and endowments from:						
Donations and capital grants	2	-	-	15	15	9
Charitable activities:						
Funding for the academy trust's Educational operations	5	330	1,844	-	2,174	2,257
Other trading activities	3	43	-	-	43	31
Investments	4	-	172	-	172	125
Total		373	2,016	15	2,404	2,422
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	256	1,901	103	2,260	2,309
Net income/(expenditure)		117	115	(88)	144	113
Transfer between funds	14	(35)	-	35	-	-
Other recognised gains and /(losses)						
Actuarial (losses)on defined benefit pension schemes	14, 23	-	(65)	-	(65)	(666)
Experience loss on defined benefit obligation		-	(367)	-	(367)	-
Net movement in funds		82	(317)	(53)	(288)	(553)
Reconciliation of funds						
Funds brought forward to 1 September 2016		382	(1,353)	152	(819)	(266)
Funds carried forward at 31 August 2017		464	(1,670)	99	(1,107)	(819)

All income and expenditure derive from continuous activities.

The statement of financial activities includes all gains and losses recognised during the year.

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

BALANCE SHEET

AS AT 31ST AUGUST 2017

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	11		99		152
Current assets					
Debtors	12	143		43	
Cash at bank		377		511	
		520		554	
Liabilities					
Creditors: Amounts falling due within one year	13	174		197	
Net current assets			346		357
Total assets less current liabilities			445		509
Net assets excluding pension liability			445		509
Defined benefit pension scheme liability	23		(1,552)		(1,328)
Net (liabilities) including pension liability			(1,107)		(819)
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14		99		152
General fund	14		(118)		(25)
Pension reserve	14		(1,552)		(1,328)
Total restricted funds			(1,571)		(1,201)
Unrestricted income funds	14		464		382
Total (deficit)			(1,107)		(819)

The financial statements on pages 24 to 40 were approved by the trustees, and authorised for issue on 6th December 2017 and are signed on their behalf by:

J. R. Bradbury

Mrs J Bradbury
Trustee

Company Limited by Guarantee
Registration Number 07667168

DEANERY CHURCH OF ENGLAND PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST AUGUST 2017

	Notes	2017 £000	2016 £000
Cash flows/(used in)/provided by operating activities	17	(99)	66
Cash flows from investing activities	18	-	-
Capital expenditure	19	(35)	(64)
Changes in cash and cash equivalent in the reporting period	20	(134)	2
Cash and cash equivalent at 1 September 2016		511	509
Cash and cash equivalent at 31 August 2017		377	511

1 Statement of accounting Policies

General information and basis of preparation

Deanery Church of England Primary School is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 1 of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Trustees' Report on pages 3-11.

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

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

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of 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.

Incoming Resources

All incoming resources are recognised when the Academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods or services.

Donated goods, facilities and services

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

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

  These are costs incurred on the Academy's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:
Leasehold buildings - 20% per year
Fixtures, fittings and equipment - $33^{1}/_{3}$% per year
ICT equipment - $33^{1}/_{3}$% per year

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

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

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable

company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Capital grants	-	15	15	9

All the capital grants in 2017 and 2016 were attributable to fixed asset funds.

3 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	43	-	43	31

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Pension fund net return on assets	-	172	172	125

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,572	1,572	1,576
Other DfE/EFA grants	-	74	74	74
	-	1,646	1,646	1,650
Other grants				
Local authority grants	-	124	124	146
Children's centre	-	20	20	20
	-	144	144	166
Other income from the academy Trust's Educational operations	330	54	384	441
	330	1,844	2,174	2,257

6. Expenditure

	Non Pay Expenditure				
	Staff Costs £000	Premises £000	Other Costs £000	Total 2017 £000	Total 2016 £000
Academy trusts' educational operations					
Direct costs	1,247	-	159	1,406	1,355
Allocated support costs	500	68	286	854	954
	1,747	68	445	2,260	2,309

£256K (2016 - £295K of the above expenditure on the academy trust's educational operations was attributable to unrestricted funds, £1,901K (2016-£1,907K was attributable to restricted general funds and £103K (2016 - £104K was attributable to restricted fixed asset funds.

Net expenditure for the year includes:

	2017 £000	2016 £000
Operating lease rentals	2	3
Depreciation	103	104
Fees payable to the auditor for:	7	6
Audit		

7. Charitable activities

	2017	2016
	£000	£000
Direct costs-educational operations	1,406	1,355
Support costs-educational operations	854	954
	2,260	2,309

Analysis of support costs	Educational Operations £000	Total 2016 £000
Support staff costs	500	507
Depreciation	103	104
Technology costs	35	37
Premises costs	87	120
Other support costs	120	172
Pension fund interest	-	-
Governance costs	9	14
	854	954

8. Staff

(a) Staff costs

	2017 £000	2016 £000
Staff costs during the year were:		
Wages and salaries	1,411	1,398
Social security costs	120	95
Operating costs of defined benefit pension schemes	213	230
	1,744	1,723
Supply staff costs	3	3
Staff restructuring costs	-	-
	1,747	1,726

(b) Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents, was as follows:

	2017 Number	2017 Full-time equivalent	2016 Number	2016 Full-time equivalent
Charitable Activities				
Teachers	24	21	23	21
Administration and support	66	33	62	37
	90	54	85	58

(c) Higher paid staff

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

	2017 No	2016 No
£60,001 - £70,000	1	1

(c) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the academy trust was £300,893 (2016:£279,985).

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

J Luckett (Principal &staff trustee)		
Remuneration	£60,001 - £70,000	(2016: £60,001 £70,000)
Employer's pension contributions	£10,001 - £15,000	(2016: £10,001 - £15,000)
K Cullen (Staff trustee)		
Remuneration	£50,001 - £60,000	(2016: £50,001 - £60,000)
Employer's pension contributions	£5,001 - £10,000	(2015: £5,001 - £10,000)
A Morris (Staff trustee)		
Remuneration	£50,001 - £60,000	(2016: £50,001 - £60,000)
Employer's pension contribution	£5,001 - £10,000	(2016: £ 5,001 - £10,000)
E Hickling (staff trustee)		
Remuneration	£30,001 - £40,000	(2016: Not applicable)
Employer's pension contributions	£5,001 - £10,000	(2016: Not applicable)
J Richardson (staff trustee)		
Remuneration	£20,001 - £30,000	(2016: Not applicable)
Employer's pension contributions	£0 - £5,000	(2016: Not applicable)

During the year ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly to trustees (2016 - £Nil).

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

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £909 (2016: £1,039). The cost of this insurance is included in the total insurance cost.

11 Tangible Fixed Assets

	Leasehold Buildings	Furniture, fittings and ICT Equipment	**Total**
	£000	£000	**£000**
Cost			
At 1 September 2016	334	179	513
Additions	3	47	50
Disposals	-	(10)	(10)
At 31 August 2017	337	216	553
Depreciation			
At 1 September 2016	223	138	361
Disposals	-	(10)	(10)
Charged in year	60	43	103
At 31 August 2017	283	171	454
Net book values			
At 31 August 2017	54	45	99
At 31 August 2016	111	41	152

The Birmingham Diocesan Trustees Registered have agreed to make their land available for use by Deanery Church of England Primary School during the continuance of the Funding Agreement between the Secretary of State for Education and Deanery Church of England Primary School subject to the right by The Birmingham Diocesan Trustees Registered to give not less than 2 years written notice to terminate the agreement, such notice to expire on 31st August 2013 or any subsequent anniversary of that date. The Academy holds a lease of land from Birmingham City Council for a period of 125 years from 1 April 2015 at a peppercorn rent. However this lease can be terminated 90 working days after the Funding Agreement termination date.

12 Debtors

	2017	**2016**
	£000	**£000**
VAT recoverable	4	6
Prepayments and accrued income	139	37
	143	43

13 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	31	16
Other taxation and social security	29	29
Other creditors	-	1
Accruals and deferred income	114	151
	174	197

Deferred income

	2017 £000	2016 £000
Deferred Income at 1 September 2016	64	43
Resources deferred in the year	69	64
Amounts released from previous years	(64)	(43)
Deferred Income at 31 August 2017	69	64

The deferred income relates to grants received prior to 31 August 2017 relating to 2017/18 expenditure and to monies received in advances for school activities.

14 Funds

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	(25)	1,808	(1,901)	-	(118)
Pension reserve	(1,328)	208	-	(432)	(1,552)
	(1,353)	2,016	(1,901)	(432)	(1,670)
Restricted fixed asset funds					
DfE/EFA capital grants	152	15	(103)	35	99
Total restricted funds	(1,201)	2,031	(2,004)	(397)	(1,571)
Unrestricted funds	382	373	(256)	(35)	464
Total funds	(819)	2,404	(2,260)	(432)	(1,107)

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

15 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	99	99
Net current assets	464	(118)	-	346
Pension scheme liability	-	(1,552)	-	(1,552)
Total net assets	464	(1,670)	99	(1,107)

16 Financial commitments

Operating leases

At 31 August 2017 the Academy had total commitments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Amounts due within one year	-	3
Amounts due within one and five years	9	-

17 Reconciliation of net income to net cash inflow from operating activities

	2017 £000	2016 £000
Net income for the reporting period (as per the Statement of Financial Activities)	144	113
Depreciation (note 11)	103	104
Capital grants from DfE/EFA and other capital income	(15)	(9)
Defined benefit pension scheme cost less contributions payable (note 23)	(36)	26
(Increase) in debtors	(100)	-
(Decrease) in creditors	(23)	(43)
Net return on defined pension scheme assets	(172)	(125)
Net cash provided by operating activities	(99)	66

18 Cash flows from financing activities

	2017 £000	2016 £000
Interest received	-	-

Net cash provided by financing activities	-	-

19 Cash flows from investing activities

	2017 £000	2016 £000
Purchase of tangible fixed assets	50	73
Capital grants from DfE/EFA	(15)	(9)
Net cash used in investing activities	35	64

20 Analysis of cash and cash equivalent

	At 1 September 2016 £000	Cash flows £000	**At 31 August 2017 £000**
Cash in hand and at bank	511	(134)	377

21 Contingent Liabilities

The former Deanery Church of England Primary School received a Funding Grant of £471,058 from Birmingham City Council. This grant is repayable on a reducing basis if certain conditions are not met. The net contingent liability at 31 August 2017 was £320,836. The Trustees are not aware of any non-compliance with the relevant conditions.

22 Members' Liability

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

23 Pension and similar obligations

The academy'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 West Midlands Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil (2016: £Nil) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme
Introduction

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

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

Valuation of the Teachers' Pension Scheme
Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £128,284 (2016: £123,186).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £123,927, of which employer's contributions totalled £90,890 and employees' contributions totalled £33,037. The agreed employer contribution rate for the period from 1 September 2017 to 31 August 2018 is 18.3%.

Employee rates are dependent upon the individuals' salary.

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

Principal Actuarial Assumptions	**At 31 August 2017**	**At 31 August 2016**
Rate of increase in salaries	4.2%	3.75%
Rate of increase for pensions in payment / inflation	2.7%	2.0%
Discount rate for scheme liabilities	2.6%	2.2%

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

	At 31 August 2017	**At 31 August 2016**
Retiring today		
Males	21.8	23.1
Females	24.3	25.8

	At 31 August 2017	**At 31 August 2016**
Retiring in 20 years		
Males	24.0	25.3
Females	26.6	28.1

Sensitivity analysis	**At 31 August 2017 £000**	**At 31 August 2016 £000**
Discount rate + 0.1%	3,359	2,717
- 0.1%	3,510	2,842
Mortality assumption - 1 year increase	3,551	2,852

- 1 year decrease	3,320	2,708

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,051	747
Gifts	121	87
Other bonds	64	108
Property	121	100
Cash/liquidity	83	81
Other	220	136
	1,660	1,259

The actual return on scheme assets was 2017: £229,000 (2016: £194,000).

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	188	134
Net interest cost	26	28
Administration expenses	1	1
Total operating charge	215	163

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

	2017 £000	2016 £000
At 1 September	2,587	1,698
Current service cost	188	134
Interest cost	56	68
Employee contributions	32	33
Actuarial (gain)/loss	435	666
Benefits paid, net of transfers in	(86)	(12)
At 31 August	3,212	2,587

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

	2017 £000	2016 £000
At 1 September	1,259	937
Interest on assets	30	40
Return on assets	199	154
Other actuarial gains	3	-
Employer contributions	224	108
Employee contributions	32	33
Benefits paid, net of transfers in	(86)	(12)
Administration expenses	(1)	(1)

At 31 August	1,660	1,259

24 Related Party Transactions

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