

Old Basford School

Registered number: 8168813

Governors report and financial statements

For the year ended 31 August 2017

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 8
Governance Statement	9 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Governors' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Assurance Report on Regularity	19 - 20
Statement of Financial Activities	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 42

**OLD BASFORD SCHOOL
(A Company Limited by Guarantee)**

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

Members

Mr D J Lawson
Mr S Salmon
Mrs Z Webb

Governors

Mr D J Lawson
Mrs J Dimaline
Mrs Z Webb
Mr S Salmon
Ms N James
Ms S Wardle
Mr A Jones
Miss E Nettleship (resigned 22 September 2016)
Mr M B Precious (resigned 31 August 2017)
Mr S Holland (resigned 31 August 2017)
Mrs R Munir (resigned 31 August 2017)
Mrs M Shah (resigned 31 August 2017)
Mrs N Ogbata (resigned 4 September 2017)
Mrs V Shaw (appointed 1 September 2017)
Ms F Rutherford (appointed 4 October 2017)
Mr D Appleby
Mrs S Brownlie (appointed 6 November 2017)
Mr D Pile (appointed 6 November 2017)
Mr O Sadeghian-Naini (appointed 6 November 2017)

Company registered number

8168813

Company name

Old Basford School

Registered office

Old Basford School, Percy Street, Old Basford, Nottingham, Nottinghamshire, NG6 0GF

Company secretary

Mrs R A Harvey (resigned 31 August 2017)
Mrs T Green (appointed 1 September 2017)

Chair

Mr D J Lawson

Senior management team

Mr M B Precious, Head Teacher
Mrs V Shaw, Deputy Head
Mrs L Duffin, Assistant Head

**OLD BASFORD SCHOOL
(A Company Limited by Guarantee)**

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

Advisers (continued)

Independent auditor

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Bankers

Lloyds Bank, Old Market Square, Nottingham, NG1 6FD

Solicitors

Nottingham City Council, Legal Department, Loxley House, Nottingham

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

The trust operates an academy for pupils aged 3 - 11 serving Basford. Total capacity is 420 in school plus 80 (40 morning & 40 afternoon) in Nursery. The Census for October 2017 was 414 in school plus 32 in Nursery. Nursery starts lower in September and then builds up through the year as children reach 3 years old.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association and articles of association are the primary governing documents of the academy trust. The Governors of Old Basford School are also the directors of the charitable company for the purpose of company law. The charitable company is known as Old Basford School.

Details of the governors who served during the year 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.

- **Governors' indemnities**

For the Financial Year 2016-2017, the Governors have liability Insurance with the ESFA's RPA effective date 1st September 2016. There is an unlimited Indemnity.

- **Method of Recruitment and Appointment of Election of Governors**

The management of the Academy is the responsibility of the Governors who are elected and co opted under the terms of the Articles of Association.

Any governor elections will be held as soon as practicable after the occurrence of a vacancy. The objective will always be to ensure that the governing body's business is conducted with as many governorships as possible filled and as many governors as possible on the governing body.

We have delegated to the Head Teacher the overall responsibility for organising the election and to also undertake the role of returning officer. At any one time the structure of the governing body must be:

Up to 5 Parent Governors
Up to 6 Community Governors
Up to 3 Staff Governors
Head Teacher

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

● Policies and Procedures Adopted for the Induction and Training of Governors

New governors are invited to meet the Head teacher and the Chair of Governors before their first meeting. All new governors are provided with Induction Training (generally sourced via Nottingham City Council LA Governors section). Governors are provided with ongoing training throughout their role.

● Organisational Structure

The full Governing Body meets each half term.

There is also an Audit & Finance Committee which meets once per term. The purpose of this committee is to consider all financial matters including preparation of draft budget, approving virements and transfers, making contractual arrangements, approving write offs, monitoring of expenditure and considering audit reports.

● Arrangements for setting pay and remuneration of key management personnel

The pay range for the Leadership Team is set by the Governing body and pay is reviewed by the Pay Committee on an annual basis.

When setting the pay range, governors consider national pay scales plus the needs of the school re recruitment and retention in order to attract and retain the very best candidates.

● Related parties and other connected charities and Organisations

Old Basford School is a member of the Primary 6 Partnership (P6P), which works with 4 other primary schools in the local area (Ambleside, Rosslyn, Heathfield, and Hempshill schools). The Academy is also a member of the Nottingham Schools Trust.

● Objects and aims

Old Basford is an outstanding, inclusive school that is dedicated to its community and aims to ensure each child can flourish, is successful and reaches their full potential.

To ensure Old Basford School is a happy and thriving environment that pupils, parents and staff are proud to be a part of, our vision is:

- To create an enriching, broad and engaging curriculum that stimulates creative learning
- To promote a safe and welcoming place, where each individual feels valued, equal and fairly treated
- To celebrate individual and whole school success and achievements
- To be independent, ambitious and adventurous whilst striving to fulfil personal goals
- To give pupils the confidence and determination needed for the next step in their education

Opportunities Bring Success.

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

- **Objectives, strategies and activities**

The principal object of the Academy is the operation of Old Basford School to provide education for pupils of different abilities between the ages of 3 and 11 providing a broad and balanced curriculum.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education and skills. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

To provide a safe, caring and inclusive school environment, which welcomes all children from our community.

To provide high quality teaching and learning experiences for every child, allowing all children to enjoy their time and reach their full potential whilst at Old Basford School.

To provide a challenging, motivating and relevant curriculum, which is matched to the needs of our learners, offering an excellent foundation of basic skills, whilst also enriching learning with a range of varied and creative experiences.

To allow all pupils to feel valued, regardless of gender, race and ability, continually encouraging respect for others, and ensuring that any discrimination or racism are always challenged.

To work in partnership with parents, governors and the community.

To foster an understanding and respect for the local and wider community, including the global community and our environment.

To develop an understanding of healthy lifestyles.

To encourage each child to grow in confidence and ability, enabling each person to continue their learning and successes in the future.

- **Public benefit**

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commissions general guidelines in public benefit.

The Academy looks to promote for the benefit of the inhabitants of Old Basford and the surrounding area: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The academy has continued to provide a wide range of extra curricular activities, and a Breakfast Club, for the benefit of its pupils and the school community. After school clubs are provided free of charge in order to be totally inclusive and the Breakfast Club is run as a non profit making service.

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

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

ACHIEVEMENTS AND PERFORMANCE

- **Key performance indicators**

The last Ofsted inspection was in 2010 at which the school was judged Outstanding.

Attainment at the end of Key stage 1 is good, and the progress the children have made is good. From low (and sometimes very low) starting points, the pupils make outstanding progress across Foundation Stage to achieve generally around or above national expectations.

Attainment at the end of Key Stage 2 is good. Progress is good and conversion of Key Stage 1 scores is good.

Overall, school performance and academic outcomes for pupils who start well below national expectations on entry and finish at national expectations, are judged to be good.

- **End of Key Stage Attainment and Progress**

Attainment at end of KS1 2017

	Combined RWM	Reading	Writing	Maths
Expected Standard	63%	70%	70%	71%
Greater Depth	3.4%	10.2%	10.2%	6.8%

Attainment at end of KS2 2017

	Combined RWM	Reading	Writing	Maths	GPS
Expected Standard	54%	60%	77%	75%	75%
Greater depth	7%	21%	18%	12%	30%

- **Attendance Data**

Attendance for the 2016-2017 academic year was 96%.

- **Going Concern**

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

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

- **Financial review**

The Academy is funded by the Education & Skills Funding Agency (ESFA) using the Nottingham City Local Authority Funding formula. In addition the Academy receives the ESG funding from the ESFA.

There were no major building works during the year. The academy did, however, replace signage around the school site during the summer 2017.

- **Reserves policy**

The academy has a reserves policy which is reviewed annually. This policy states that it is prudent to maintain reserves of a minimum of £100,000 each year as a contingency for unexpected expenditure plus funds for any major planned expenditure. Total funds held at 31 August 2017 were £2,550,190. Unrestricted and restricted general reserves held at the end of 2016/17 was £286,655, of which £6,000 was used to set the 2017/18 budget to protect staffing levels.

- **Investment Policy**

Due to the nature of the funding cycle, the academy may at times hold large cash balances which may not be required for immediate use. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised. There have been no investments in the year.

- **Principal Risks and Uncertainties**

The academy has a policy for Risk Management which includes the Risk Register, and this is reviewed on an annual basis.

Currently, the major risks are loss of key personnel, appointing good quality teaching staff, decline in pupil numbers, changes to the funding formula, rising costs, damage/loss to the structure of the building which would necessitate the need to implement the emergency plan.

To mitigate these, the governing body encourages and monitors succession planning; monitors pupil numbers (school is currently full and there is a waiting list for all yeargroups); retains funds in reserves for emergency maintenance and rising salary costs.

The Academy has inherited the local government defined benefit pension scheme deficit for associate staff which it is managing as advised by Barnett Waddingham, the pension actuarial experts.

**OLD BASFORD SCHOOL
(A Company Limited by Guarantee)**

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

PLANS FOR THE FUTURE

• **Future developments**

The Academy has a detailed Improvement Plan to help further develop the teaching and learning at Old Basford School.

Funds held as custodian trustee on behalf of others

The Academy does not hold funds on behalf of others.

Disclosure of information to auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- that governors have taken all the 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.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re appointing the auditor at a meeting of the Governors.

The Governors' Report was approved by order of the board of governors, as the company directors, on 29 November 2017 and signed on its behalf by:



.....
Mr D J Lawson
Chair of Governors

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of governors 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 Old Basford School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 7 times during the year, of which one meeting was for the ratification of the appointment of the new Head Teacher.

Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Mr D J Lawson	7	7
Mr M B Precious, Head Teacher	5	7
Mrs J Dimaline	7	7
Mrs Z Webb	7	7
Mr S Holland	6	7
Mr S Salmon	5	7
Ms N James	7	7
Ms S Wardle	7	7
Mrs R Munir	3	7
Mrs N Ogbata	5	7
Mr D Appleby	7	7
Mrs M Shah	4	7
Mr A Jones	3	7

The Head Teacher retired at the end of August 2017 and a new Head Teacher was appointed from 1st September 2017. The Head Teacher also performs the role of Accounting Officer.

There was also a number of resignations (mainly Parent Governors) at the end of August 2017. Nominations took place in October 2017, and 3 new Parent Governors were appointed on 6th November 2017.

An external governance review was undertaken in 2016.

The Audit and Finance Committee is a sub committee of the main governing body. Its purpose is to discuss financial matters including preparation of draft budget, approving journals and transfers, making contractual arrangements, approving write offs, maintaining a charges and remissions policy, monitoring of expenditure and considering audit reports. Approval of the budget, Best Value Statement and journals over £50,000 will remain the responsibility of the Full Governors.

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The committee met 4 times during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs Z Webb	4	4
Mr S Salmon	2	4
Mr D J Lawson	4	4
Mrs J Dimaline	4	4
Mr M B Precious, Head Teacher	3	4

Review of Value for money

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

The accounting officer considers how the 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 as follows:

Old Basford School recognises its responsibility to achieve value for money from all its activities, however they may be funded. We are committed to the pursuit of economy, efficiency and effectiveness and seek to adopt good practice, and incorporate value for money principles in all our activities. Equipment, materials and services will be deployed to provide pupils and staff with resources that support quality of teaching and learning by ensuring:

- o a high level of awareness and ownership of value for money in all functions and activities throughout the school in order to maximise the benefits to pupils whilst minimising cost;
- o that all directors and staff have responsibility for promoting value for money principles;
- o active consideration of value for money in the planning and delivery of Old Basford School's Development and Financial Plans; service delivery methods, including partnership working; and budget and resource allocation.

The E's Principle

Achieving value for money can be described in terms of three E's – Economy, Efficiency and Effectiveness.

Economy – minimising the cost of resources for an activity (doing things at the right price)

Efficiency – performing tasks with reasonable effort (doing things in the right way)

Effectiveness – the extent to which objectives are met (doing the right things)

Having the 'right people' is also an important aspect of ensuring value for money.

Obtaining the best outcomes for pupils, within available resources, is the key to achieving value for money.

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

In order to achieve good value for money, Old Basford has:

- o double accounting and checking of all invoices and cheques signed
- o three quotes obtained and governors Finance and Audit committee making final decisions on all purchases over £10,000
- o the Head Teacher ensuring that reasonable steps have been taken to obtain best value on all purchases between £1,500 - £10,000
- o clearly minuted ratification of the school budget for the Financial year
- o detailed financial reports for governors, including Pupil Premium
- o ensured that the Finance committee has regard to value for money in its discussions and decisions
- o an efficient and effective staffing structure to facilitate the achievement of its strategic aims and objectives
- o ensured value for money principles are taken fully into account within existing management, planning and review processes
- o adopted and recognised good practice where it is appropriate to do so
- o responded to opportunities to enhance the economy, efficiency and effectiveness of activities
- o observed the need for price quotations and for tender invitations according to the limits prescribed in Old Basford School's internal finance policies
- o ensured that all administrative systems and processes are designed to maximise integration and eliminate duplication and delay
- o promoted a culture of continuous improvement by all stakeholders
- o ensured that all staff recognise their continuing obligation to seek value for money for Old Basford School as part of their day to day activities

Purchasing

Procedures are in place for assessing need, and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. These include competitive tendering procedures for goods and services where appropriate, procedures for accepting best value quotes and purchasing certain goods or services from known, reliable suppliers.

Pupils Welfare

The quality of the school environment and ethos is reviewed to provide a supportive atmosphere conducive to learning and recreation.

Health & Safety

The quality of the school's buildings and equipment is kept under review, carrying out risk assessments where appropriate, in order to provide a safe working environment for all pupils, staff and visitors.

Monitoring

Examples of monitoring for best value include:

- o In house monitoring by the governors, accounting officer and finance staff
- o Annual budget planning
- o Governors regular financial review
- o Minutes of all governors meetings
- o Responsible Officer reports
- o Audit reports
- o Analysis of school performance data
- o Analysis of DfE pupil performance data e.g. RAISEonline
- o OFSTED inspection reports

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Good Practice

Examples of Good Practice over the year are:

- o Responsible Officer report for 2016-17 rated 'Good' in all areas
- o No issues arising from Audit of 2016-17 accounts
- o Full discussions at all finance meetings
- o Use of Pupil premium to fund additional teachers across school to raise attainment of pupils
- o At National Standards in most areas of school
- o Disadvantaged pupils achieve well
- o Subsidised visits and residentials to ensure that all pupils can experience these opportunities
- o Membership of P6P (Primary 6 Partnership) to promote learning and opportunities
- o School is proud of the wide range of extra curricular activities e.g. Chess, Dance, Music and Art provision

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the audit and 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 board of governors has considered the need for a specific internal audit function and has decided to appoint the Local Authority as internal auditor.

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in 2016-2017 included a review of payroll procedures and authorisations, purchasing procedures including delivery recording and invoice authorisations, income received including cash recording and banking. The responsible officer reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The report from the internal auditor dated 8 August 2017 gave an overall status of 'good' and stated "It is the opinion of the Responsible Officer that overall Old Basford School has robust procedures in place to deal with the recording of the school's financial transactions and the handling of the daily cash takings & expenditure." There were no recommendations.

The reviewer has completed their schedule of works.

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

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

Approved by order of the members of the board of governors on 29 November 2017 and signed on their behalf, by:



.....
Mr D J Lawson
Chair of Trustees



.....
Mrs V Shaw
Accounting Officer

**OLD BASFORD SCHOOL
(A Company Limited by Guarantee)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the 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 2016.

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



.....
Mrs V Shaw
Accounting Officer

Date: 29 November 2017

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as trustees for charitable activities of Old Basford School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 will continue in operation.

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

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

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

Approved by order of the members of the board of governors on 29 November 2017 and signed on its behalf

by:



.....
Mr D J Lawson
Chair of Governors

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OLD BASFORD SCHOOL

Opinion

We have audited the financial statements of Old Basford School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the 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, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards including the Financial Reporting Standard Applicable in the UK and Republic of Ireland ((Charities SORP 2015 (FRS 102)) (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

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 charitable company 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 company'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.

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OLD BASFORD SCHOOL

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 auditors' reports thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on the other matter 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' Annual 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' Annual 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 light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated strategic report.

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

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

**OLD BASFORD SCHOOL
(A Company Limited by Guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF OLD BASFORD SCHOOL**

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 15, 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 company'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 company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW
Date: 29/11/17

OLD BASFORD SCHOOL (A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OLD BASFORD SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 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 Old Basford School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Old Basford School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Old Basford School's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

**OLD BASFORD SCHOOL
(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO OLD BASFORD SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)**

Conclusion

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

Mazars LLP

David Hoose (Senior Statutory Auditor)

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *29/11/17*

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	500	-	9,009	9,509	20,835
Charitable activities	3	-	2,210,373	-	2,210,373	2,241,173
Other trading activities	4	13,874	33,255	-	47,129	54,686
Investments	5	282	-	-	282	468
Total income		<u>14,656</u>	<u>2,243,628</u>	<u>9,009</u>	<u>2,267,293</u>	<u>2,317,162</u>
Expenditure on:						
Raising funds	6	13,150	11,834	-	24,984	39,898
Charitable activities	6	-	2,376,686	97,860	2,474,546	2,410,859
Total expenditure		<u>13,150</u>	<u>2,388,520</u>	<u>97,860</u>	<u>2,499,530</u>	<u>2,450,757</u>
Net income / (expenditure) before transfers		<u>1,506</u>	<u>(144,892)</u>	<u>(88,851)</u>	<u>(232,237)</u>	<u>(133,595)</u>
Transfers between Funds	15	-	3,665	(3,665)	-	-
Net income / (expenditure) before other recognised gains and losses		<u>1,506</u>	<u>(141,227)</u>	<u>(92,516)</u>	<u>(232,237)</u>	<u>(133,595)</u>
Actuarial gains/(losses) on defined benefit pension schemes	19	-	304,000	-	304,000	(799,000)
Net movement in funds		<u>1,506</u>	<u>162,773</u>	<u>(92,516)</u>	<u>71,763</u>	<u>(932,595)</u>
Reconciliation of funds:						
Total funds brought forward		<u>117,246</u>	<u>(1,717,870)</u>	<u>4,079,051</u>	<u>2,478,427</u>	<u>3,411,022</u>
Total funds carried forward		<u><u>118,752</u></u>	<u><u>(1,555,097)</u></u>	<u><u>3,986,535</u></u>	<u><u>2,550,190</u></u>	<u><u>2,478,427</u></u>

OLD BASFORD SCHOOL

Registered number: 8168813

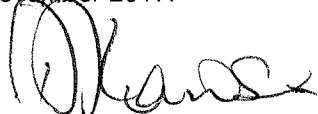
(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		3,986,535		4,079,051
Current assets					
Debtors	13	60,742		75,579	
Cash at bank and in hand		354,157		357,338	
		<u>414,899</u>		<u>432,917</u>	
Creditors: amounts falling due within one year	14	(128,244)		(145,541)	
Net current assets			<u>286,655</u>		<u>287,376</u>
Total assets less current liabilities			<u>4,273,190</u>		<u>4,366,427</u>
Defined benefit pension scheme liability	19	(1,723,000)		(1,888,000)	
Net assets including pension scheme liabilities			<u><u>2,550,190</u></u>		<u><u>2,478,427</u></u>
Funds of the Academy					
Restricted income funds:					
Restricted income funds	15	167,903		170,130	
Restricted fixed asset funds	15	3,986,535		4,079,051	
Restricted income funds excluding pension liability		4,154,438		4,249,181	
Pension reserve	15	(1,723,000)		(1,888,000)	
Total restricted income funds			<u>2,431,438</u>		<u>2,361,181</u>
Unrestricted income funds	15		<u>118,752</u>		<u>117,246</u>
Total funds			<u><u>2,550,190</u></u>		<u><u>2,478,427</u></u>

The financial statements on pages 21 to 42 were approved by the Governors, and authorised for issue, on 29 November 2017:



.....
Mr D J Lawson
Chair of Governors

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	17	(7,128)	(15,052)
Cash flows from investing activities:			
Dividends, interest and rents from investments		282	468
Purchase of property, plant and equipment		(5,344)	(37,232)
Capital grants from DfE/ESFA		9,009	9,085
Capital funding received from sponsors and others		-	11,750
Net cash provided by/(used in) investing activities		3,947	(15,929)
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		357,338	388,319
Cash and cash equivalents carried forward	18	354,157	357,338

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy 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.

Old Basford School constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors 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.

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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, 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.

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.4 Expenditure

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

Expenditure on 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.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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 over their expected useful lives on the following bases:

L/Term Leasehold Property	-	Between 45 - 50 years
Furniture & equipment	-	20%
Computer equipment	-	25%

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.

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

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 Provisions

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

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

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

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy 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 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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 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 Governors.

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

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

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 19, 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 judgment:

The Governors consider that there are no critical areas of judgement with the exception of the pension valuation noted above.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	500	-	-	500	-
Capital Grants	-	-	9,009	9,009	20,835
	500	-	9,009	9,509	20,835
<i>Total 2016</i>	-	-	20,835	20,835	

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,781,003	1,781,003	1,826,082
Other DfE/ESFA grants	-	220,537	220,537	232,433
	-	2,001,540	2,001,540	2,058,515
Other government grants				
Local authority grants	-	168,941	168,941	148,383
	-	168,941	168,941	148,383
Other funding				
Other income from the academy trust's educational operations	-	39,892	39,892	34,275
	-	39,892	39,892	34,275
	-	2,210,373	2,210,373	2,241,173
<i>Total 2016</i>	34,275	2,206,898	2,241,173	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Breakfast Club & Catering Income	9,158	-	9,158	10,352
Staff Absence Insurance	-	3,797	3,797	10,714
Sundry Income	4,716	29,458	34,174	33,620
	13,874	33,255	47,129	54,686
<i>Total 2016</i>	13,507	41,179	54,686	

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest Received	282	-	282	468
	<u>282</u>	<u>-</u>	<u>282</u>	<u>468</u>
<i>Total 2016</i>	<u>468</u>	<u>-</u>	<u>468</u>	

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	9,672	-	15,312	24,984	39,898
Academy's educational operations					
- Direct costs	1,718,281	75,006	95,776	1,889,063	1,817,161
- Allocated support costs	205,408	146,105	233,970	585,483	593,698
	<u>1,933,361</u>	<u>221,111</u>	<u>345,058</u>	<u>2,499,530</u>	<u>2,450,757</u>

All expenditure on raising funds in the current year and prior year relates to support costs.

7. Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	1,889,063	1,817,161
Support costs - educational operations	585,483	593,698
	<u>2,474,546</u>	<u>2,410,859</u>

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

Support costs

	Total 2017 £	Total 2016 £
Support staff costs	205,408	184,480
Depreciation	22,628	28,606
Premises costs	146,105	157,808
Other support costs	172,750	175,028
Governance costs	38,592	47,776
	<hr/>	<hr/>
Total	<u>585,483</u>	<u>593,698</u>

In 2016, of the total expenditure, £48,937 was to unrestricted funds and £2,401,820 was to restricted funds

8. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	97,634	95,607
Auditor's remuneration	5,425	6,025
Auditor's remuneration - non audit	2,495	2,015
Operating lease rentals	3,286	3,312
Loss on the disposal of fixed assets	226	-
	<hr/>	<hr/>

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

9. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,421,423	1,395,101
Social security costs	128,985	110,011
Operating costs of defined benefit pension schemes	321,335	274,318
	<u>1,871,743</u>	<u>1,779,430</u>
Supply teacher costs	20,618	19,735
Defined benefit pension scheme net finance cost	41,000	39,000
	<u>1,933,361</u>	<u>1,838,165</u>

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

	2017	2016
	No.	No.
Teachers	28	28
Administration and support	48	41
Management	3	3
	<u>79</u>	<u>72</u>

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

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

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 £206,077 (2016: £211,494).

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment.

The value of Governors' remuneration and other benefits was as follows:

		2017	2016
		£	£
Mr M B Precious, principal and governor	Remuneration	75,000-80,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs J Dimaline, staff trustee	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Ms N James, staff trustee	Remuneration	20,000-25,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
Ms S Wardle, staff trustee	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Governors received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2016 - £NIL)

11. Governors' and Officers' Insurance

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

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

12. Tangible fixed assets

	Leasehold land and buildings £	Furniture & Equipment £	Computer equipment £	Total £
Cost				
At 1 September 2016	4,289,939	15,174	118,284	4,423,397
Additions	-	449	4,895	5,344
Disposals	-	-	(532)	(532)
	<u>4,289,939</u>	<u>15,623</u>	<u>122,647</u>	<u>4,428,209</u>
At 31 August 2017	4,289,939	15,623	122,647	4,428,209
Depreciation				
At 1 September 2016	261,741	9,222	73,383	344,346
Charge for the year	75,006	2,192	20,436	97,634
On disposals	-	-	(306)	(306)
	<u>336,747</u>	<u>11,414</u>	<u>93,513</u>	<u>441,674</u>
At 31 August 2017	336,747	11,414	93,513	441,674
Net book value				
At 31 August 2017	<u>3,953,192</u>	<u>4,209</u>	<u>29,134</u>	<u>3,986,535</u>
At 31 August 2016	<u>4,028,198</u>	<u>5,952</u>	<u>44,901</u>	<u>4,079,051</u>

13. Debtors

	2017 £	2016 £
VAT recoverable	8,198	20,977
Prepayments and accrued income	52,544	54,602
	<u>60,742</u>	<u>75,579</u>

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

14. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Other taxation and social security	32,382	34,414
Other creditors	30,516	29,582
Accruals and deferred income	65,346	81,545
	<u>128,244</u>	<u>145,541</u>
	<u><u>128,244</u></u>	<u><u>145,541</u></u>
	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	42,066	44,736
Resources deferred during the year	43,131	42,066
Amounts released from previous years	(42,066)	(44,736)
	<u>43,131</u>	<u>42,066</u>
Deferred income at 31 August 2017	<u><u>43,131</u></u>	<u><u>42,066</u></u>

At the balance sheet date, the Academy trust was holding the following funds received in advance:

- £28,041 in relation to infant school meals received for 2017/18.
- £10,815 in relation to SEN funding received for 2017/18
- £4,275 in relation to nursery funding received in advance

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

15. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	117,246	14,656	(13,150)	-	-	118,752
Restricted funds						
General annual grant (GAG)	155,092	1,781,003	(1,801,839)	3,665	-	137,921
Pupil premium	11,583	162,707	(147,361)	-	-	26,929
Other grants and restricted income	3,455	299,918	(300,320)	-	-	3,053
Pension reserve	(1,888,000)	-	(139,000)	-	304,000	(1,723,000)
	<u>(1,717,870)</u>	<u>2,243,628</u>	<u>(2,388,520)</u>	<u>3,665</u>	<u>304,000</u>	<u>(1,555,097)</u>
Restricted fixed asset funds						
Donated assets	3,528,779	-	(65,072)	-	-	3,463,707
DfE/ESFA capital grants	48,351	9,009	(2,902)	(3,665)	-	50,793
Capital expenditure from GAG	490,171	-	(29,651)	-	-	460,520
Private sector capital sponsorship	11,750	-	(235)	-	-	11,515
	<u>4,079,051</u>	<u>9,009</u>	<u>(97,860)</u>	<u>(3,665)</u>	<u>-</u>	<u>3,986,535</u>
Total restricted funds	<u>2,361,181</u>	<u>2,252,637</u>	<u>(2,486,380)</u>	<u>-</u>	<u>304,000</u>	<u>2,431,438</u>
Total of funds	<u><u>2,478,427</u></u>	<u><u>2,267,293</u></u>	<u><u>(2,499,530)</u></u>	<u><u>-</u></u>	<u><u>304,000</u></u>	<u><u>2,550,190</u></u>

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the Academy;
- Pension reserve represents the Academy's share of the assets and liabilities of the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose

The transfers relate to capital funds used for maintenance costs.

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

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

16. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,986,535	3,986,535
Current assets	118,752	296,146	-	414,898
Current liabilities	-	(128,243)	-	(128,243)
Pension scheme liability	-	(1,723,000)	-	(1,723,000)
	<u>118,752</u>	<u>(1,555,097)</u>	<u>3,986,535</u>	<u>2,550,190</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(232,237)	(133,595)
Adjustment for:		
Depreciation charges	97,634	95,607
Interest receivable	(282)	(468)
Loss on the disposal of fixed assets	226	-
Decrease/(increase) in debtors	14,837	(11,472)
Decrease in creditors	(17,297)	(18,289)
Capital grants from DfE and other capital income	(9,009)	(20,835)
Defined benefit pension scheme adjustment	139,000	74,000
Net cash used in operating activities	<u>(7,128)</u>	<u>(15,052)</u>

18. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	354,157	357,338
Total	<u>354,157</u>	<u>357,338</u>

OLD BASFORD SCHOOL

(A Company Limited by Guarantee)

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

19. Pension commitments

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

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

Contributions amounting to £30,516 were payable to the schemes at 31 August 2017 (2016 - 29,582) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £136,552 (2016 - £150,467).

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

19. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £115,000 (2016 - £116,000), of which employer's contributions totalled £87,000 (2016 - £89,000) and employees' contributions totalled £28,000 (2016 - £27,000). The agreed contribution rates for future years are 18.3% for employers and 5.5 to 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	22.6	22.1
Females	25.5	25.3
Retiring in 20 years		
Males	24.8	24.4
Females	27.9	27.7

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate +0.1%	72,000	67,000
Discount rate -0.1%	(73,000)	(69,000)
Mortality assumption - 1 year increase	(108,000)	(88,000)
Mortality assumption - 1 year decrease	104,000	86,000
Pension increase rate +0.1%	(62,000)	(57,000)
Pension increase rate -0.1%	61,000	56,000

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

19. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,007,000	935,000
Gilts	49,000	51,000
Other bonds	184,000	92,000
Property	178,000	164,000
Cash	32,000	58,000
Other Assets	75,000	58,000
	<u>1,525,000</u>	<u>1,358,000</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(184,000)	(124,000)
Interest income	31,000	46,000
Interest cost	(72,000)	(85,000)
	<u>(225,000)</u>	<u>(163,000)</u>
Actual return on scheme assets	<u>199,000</u>	<u>167,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,246,000	2,124,000
Current service cost	184,000	124,000
Interest cost	72,000	85,000
Employee contributions	28,000	27,000
Actuarial (gains)/losses	(271,000)	920,000
Benefits paid	(11,000)	(34,000)
	<u>3,248,000</u>	<u>3,246,000</u>

OLD BASFORD SCHOOL
(A Company Limited by Guarantee)

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

19. Pension commitments (continued)

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

	2017	2016
	£	£
Opening fair value of scheme assets	1,358,000	1,109,000
Interest income	31,000	46,000
Actuarial losses	33,000	121,000
Employer contributions	87,000	89,000
Employee contributions	28,000	27,000
Benefits paid	(11,000)	(34,000)
Administration expenses	(1,000)	-
	<u>1,525,000</u>	<u>1,358,000</u>
Closing fair value of scheme assets	<u>1,525,000</u>	<u>1,358,000</u>

20. Operating lease commitments

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

	2017	2016
	£	£
Amounts payable:		
Within 1 year	3,286	1,380
Between 1 and 5 years	7,942	-
Total	<u>11,228</u>	<u>1,380</u>

21. Related party transactions

Owing to the nature of the Academy'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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

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.