

# **Old Basford School**

Registered number: 8168813

## **Governors report and financial statements**

**For the year ended 31 August 2016**

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

**CONTENTS**

---

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Governors' Report</b>	3 - 9
<b>Governance Statement</b>	10 - 14
<b>Statement on Regularity, Propriety and Compliance</b>	15
<b>Statement of Governors' Responsibilities</b>	16
<b>Independent Auditor's Report on the Financial Statements</b>	17 - 18
<b>Independent Auditor's Assurance Report on Regularity</b>	19 - 20
<b>Statement of Financial Activities</b>	21
<b>Balance Sheet</b>	22
<b>Statement of Cash Flows</b>	23
<b>Notes to the Financial Statements</b>	24 - 43

**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 2016**

---

**Members**

Mr D J Lawson  
Mr S Salmon  
Mrs Z Webb

**Governors**

Mr D J Lawson  
Mr M B Precious, Head Teacher  
Mrs J Dimaline  
Mrs Z Webb  
Miss E Nettleship (resigned 22 September 2016)  
Mr S Holland  
Mr S Salmon  
Ms N James  
Ms S Wardle  
Mrs R Munir (appointed 14 October 2015)  
Mrs N Ogbata  
Mr D Appleby (appointed 18 November 2015)  
Mrs M Shah (appointed 17 November 2015)  
Mr A Jones (appointed 29 June 2016)  
Mr T Munir (resigned 14 October 2015)

**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

**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 2016***

---

**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 2016**

---

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. 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 2016 was 420 in school plus 44 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 2015 2016, the Governors have liability Insurance with the EFA's RPA effective date 1st September 2015. There is an unlimited Indemnity.

# OLD BASFORD SCHOOL (A Company Limited by Guarantee)

## GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

---

- **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

- **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 on going 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 sponsor for the Ambleside Academy and is also 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).

# OLD BASFORD SCHOOL (A Company Limited by Guarantee)

## GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2016

---

### ● 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.

### ● 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.

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

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

● **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 2016

---

### ACHIEVEMENTS AND PERFORMANCE

- **Key financial 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 2016

	Combined RWM	Reading	Writing	Maths
Expected Standard	49.2%	69.5%	52.5%	69.5%
Greater Depth		18.6%		11.9%

Attainment at end of KS2 2016

	Combined RWM	Reading	Writing	Maths	GPS
Expected Standard	47.3%	63.6%	63.6%	70.9%	78.2%

- **Attendance Data**

Attendance for the 2015 2016 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 2016

---

### FINANCIAL REVIEW

- **Financial review**

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

There were no major building works during the year. The academy did, however, enhance the outdoor play area of the Foundation Unit by installing a 'trim trail' with safety surface, at a total cost of £14,859. This was completed during the summer 2016.

The school was successful in applying for a Tesco 'bags of help' grant of £12,000 to provide an outdoor learning area consisting of a pond with seating area, which was created during the summer 2016.

- **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 2016 were £2,478,427. Unrestricted and restricted general reserves held at the end of 2015/16 is £287,000, of which £47,000 was used to set the 2016/17 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 2016**

---

**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 held sponsorship funding for Ambleside Academy. This funding was fully spent by the end of the 2015-16 year.

**Disclosure of information to auditor**

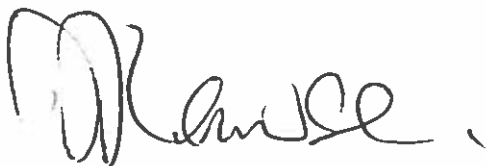
Insofar as the governors are aware:

- 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 trustees' report, incorporating a strategic report, was approved by order of the board of governors as the company directors, on 16 November 2016 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 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Mr D J Lawson	6	6
Mr M B Precious, Head Teacher	6	6
Mrs J Dimaline	6	6
Mrs Z Webb	4	6
Miss E Nettleship	4	6
Mr S Holland	5	6
Mr S Salmon	3	6
Ms N James	6	6
Ms S Wardle	4	6
Mrs R Munir	4	6
Mrs N Ogbata	5	6
Mr D Appleby	3	5
Mrs M Shah	4	5
Mr A Jones	1	1
Mr T Munir	1	1

There have been no key changes to the governing body during the year. 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	3
Mr D J Lawson	4	4
Mrs J Dimaline	4	4
Mr M B Precious, Head Teacher	4	4
Mr T Munir	1	1

### 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.

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

# OLD BASFORD SCHOOL (A Company Limited by Guarantee)

## GOVERNANCE STATEMENT (continued)

---

- 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, and 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

### Good Practice

Examples of Good Practice over the year are:

- o Responsible Officer report for 2015-16 rated 'Good' in all areas
- o No issues arising from Audit of 2015-16 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 or above 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

# OLD BASFORD SCHOOL (A Company Limited by Guarantee)

## GOVERNANCE STATEMENT (continued)

---

### 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 2016 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 2016 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 the current period included a review of cash takings and expenditure. 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.

The report from the internal auditor dated 9 August 2016 gave an overall status of 'good' and stated "It is the opinion of the Responsible Officer that 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.

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

**GOVERNANCE STATEMENT (continued)**

---


**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:

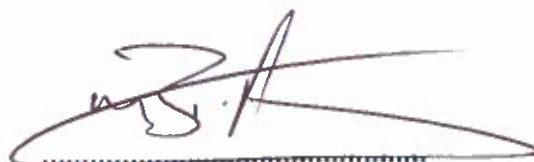
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 16 November 2016  
and signed on their behalf, by:



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



.....  
**Mr M B Precious**  
**Accounting Officer**

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

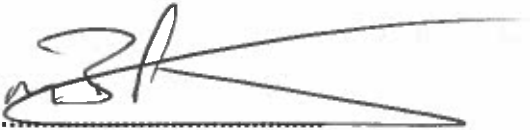
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Old Basford School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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.



.....  
**Mr M B Precious  
Accounting Officer**

Date: 16 November 2016

# OLD BASFORD SCHOOL (A Company Limited by Guarantee)

## STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

---

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 Direction published 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 its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

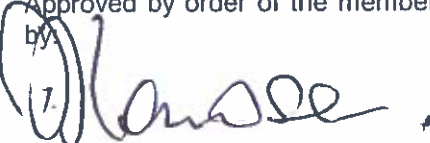
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 EFA/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 16 November 2016 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**

---

We have audited the financial statements of Old Basford School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) ((Charities SORP 2015 (FRS 102))).

#### **Respective responsibilities of Governors and auditor**

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the governors as a body. Our audit work has been undertaken so that we might state to the 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 Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 31 August 2016 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 and have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

#### **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report including the incorporated strategic report for the year for which the financial statements are prepared is consistent with the financial statements.

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

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

---

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

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

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



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: 16/11/16

# **OLD BASFORD SCHOOL**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO OLD BASFORD SCHOOL AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 21 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA 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 EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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.

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO  
OLD BASFORD SCHOOL AND THE EDUCATION 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Mazars LL*

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: 16/11/16

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>						
Donations and capital grants	2	-	-	20,835	20,835	9,051
Charitable activities	4	34,275	2,206,898	-	2,241,173	2,264,999
Other trading activities	3	13,507	41,179	-	54,686	60,796
Investments	5	468	-	-	468	488
<b>Total income</b>		<b>48,250</b>	<b>2,248,077</b>	<b>20,835</b>	<b>2,317,162</b>	<b>2,335,334</b>
<b>Expenditure on:</b>						
Raising funds	6	14,562	25,336	-	39,898	29,138
Charitable activities	6	34,375	2,280,877	95,607	2,410,859	2,250,049
<b>Total expenditure</b>		<b>48,937</b>	<b>2,306,213</b>	<b>95,607</b>	<b>2,450,757</b>	<b>2,279,187</b>
<b>Net income / (expenditure) before transfers</b>		<b>(687)</b>	<b>(58,136)</b>	<b>(74,772)</b>	<b>(133,595)</b>	<b>56,147</b>
Transfers between Funds	16	-	(16,397)	16,397	-	-
<b>Net income / (expenditure) before other gains and losses</b>		<b>(687)</b>	<b>(74,533)</b>	<b>(58,375)</b>	<b>(133,595)</b>	<b>56,147</b>
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(799,000)	-	(799,000)	23,000
<b>Net movement in funds</b>		<b>(687)</b>	<b>(873,533)</b>	<b>(58,375)</b>	<b>(932,595)</b>	<b>79,147</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		117,933	(844,337)	4,137,426	3,411,022	3,331,875
<b>Total funds carried forward</b>		<b>117,246</b>	<b>(1,717,870)</b>	<b>4,079,051</b>	<b>2,478,427</b>	<b>3,411,022</b>

# OLD BASFORD SCHOOL

Registered number: 8168813

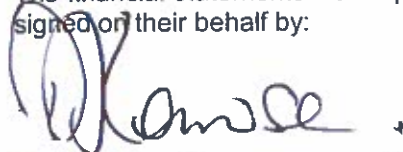
(A Company Limited by Guarantee)

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	13		4,079,051		4,137,426
<b>Current assets</b>					
Debtors	14	75,579		64,107	
Cash at bank and in hand		357,338		388,319	
		<u>432,917</u>		<u>452,426</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(145,541)</u>		<u>(163,830)</u>	
<b>Net current assets</b>			<u>287,376</u>		<u>288,596</u>
<b>Total assets less current liabilities</b>			<u>4,366,427</u>		<u>4,426,022</u>
Defined benefit pension scheme liability	20		<u>(1,888,000)</u>		<u>(1,015,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>2,478,427</u></u>		<u><u>3,411,022</u></u>
<b>Funds of the Academy</b>					
Restricted funds:					
Restricted funds	16	170,130		170,663	
Restricted fixed asset funds	16	4,079,051		4,137,426	
		<u>4,249,181</u>		<u>4,308,089</u>	
Restricted funds excluding pension liability					
Pension reserve	16	<u>(1,888,000)</u>		<u>(1,015,000)</u>	
			<u>2,361,181</u>		<u>3,293,089</u>
Total restricted funds					
Unrestricted funds	16		<u>117,246</u>		<u>117,933</u>
<b>Total funds</b>			<u><u>2,478,427</u></u>		<u><u>3,411,022</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 16 November 2016 and signed on their behalf by:



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

The notes on pages 24 to 43 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	(15,052)	244,947
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		468	488
Purchase of property, plant and equipment		(37,232)	(204,885)
Capital grants from DfE/EFA		9,085	9,051
Capital funding received from sponsors and others		11,750	-
<b>Net cash used in investing activities</b>		<b>(15,929)</b>	<b>(195,346)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>19</b>	<b>(30,981)</b>	<b>49,601</b>
Cash and cash equivalents brought forward		388,319	338,718
<b>Cash and cash equivalents carried forward</b>	<b>19</b>	<b>357,338</b>	<b>388,319</b>

# OLD BASFORD SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1. Accounting Policies

##### 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 2015 to 2016 issued by EFA, 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.

##### 1.3 Income

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

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

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.

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 2016

---

#### 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 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 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 resources expended are inclusive of irrecoverable VAT.

##### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 on a straight-line basis over its expected useful life, as follows:

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

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.

# OLD BASFORD SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1. Accounting Policies (continued)

##### 1.6 Debtors

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

##### 1.7 Cash at Bank and in hand

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

##### 1.8 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.

##### 1.9 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.

##### 1.10 Leased assets

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

##### 1.11 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 2016

---

#### 1. Accounting Policies (continued)

##### 1.12 Pensions

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 20, 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

##### 1.13 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 the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/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 2016**

**1. Accounting Policies (continued)**

**1.14 Agency arrangements**

Some income may not belong to the academy trust receiving it, for instance where it is acting as an agent with no discretion about the use to which funds received are put. The academy trust acts only in accordance with the instructions or directions of the funder. Where this is the case the funds received are not recognised as an asset in the accounts because the funds are not within its control and the distribution of the income is not recognised as academy trust's expenditure. However any fee receivable by the academy trust for acting as agent is recognised as income with any costs incurred by the academy trust in the administration of the agency arrangement are recognised as expenditure in the accounts.

**1.15 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 believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

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

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 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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. Income from donations and capital grants**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital Grants	-	-	20,835	20,835	9,051

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £9,051 was to restricted funds

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**3. Other trading activities**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Breakfast Club & Catering Income	10,352	-	10,352	7,332
Staff Absence Insurance	-	10,714	10,714	14,042
Sundry Income	3,155	30,465	33,620	39,422
	<u>13,507</u>	<u>41,179</u>	<u>54,686</u>	<u>60,796</u>

In 2015, of the total fundraising income, £11,502 was to unrestricted funds and £49,294 was to restricted funds.

**4. Funding for Academy's educational operations**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	1,826,082	1,826,082	1,883,264
Other DfE/EFA grants	-	232,433	232,433	228,772
Pupil Premium	-	148,383	148,383	-
	<u>-</u>	<u>2,206,898</u>	<u>2,206,898</u>	<u>2,112,036</u>
<b>Other government grants</b>				
Local authority grants	-	-	-	152,963
	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,963</u>
<b>Other funding</b>				
Other income from the academy trust's educational operations	34,275	-	34,275	-
	<u>34,275</u>	<u>-</u>	<u>34,275</u>	<u>-</u>
	<u>34,275</u>	<u>2,206,898</u>	<u>2,241,173</u>	<u>2,264,999</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £2,264,999 was to restricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. Investment income**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest Received	468	-	468	488

In 2015, of the total investment income, £ 488 was to unrestricted funds and £ NIL was to restricted funds.

**6. Resources expended**

	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds	9,310	-	30,588	39,898	29,138
Academy's educational operations					
- Direct costs	1,644,375	67,001	105,785	1,817,161	1,693,905
- Allocated support costs	184,480	157,808	251,410	593,698	556,144
<b>Total</b>	<b>1,838,165</b>	<b>224,809</b>	<b>387,783</b>	<b>2,450,757</b>	<b>2,279,187</b>

**Charitable activities**

	Total 2016 £	Total 2015 £
Direct costs - educational operations	1,817,161	1,693,905
Support costs - educational operations	593,698	556,144
<b>Total</b>	<b>2,410,859</b>	<b>2,250,049</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**7. Support costs**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Support staff costs	184,480	169,776
Depreciation	28,606	20,949
Technology costs	-	2,874
Premises costs	157,808	132,156
Other support costs	175,028	174,115
Governance costs	47,776	56,274
<b>Total</b>	<b>593,698</b>	<b>556,144</b>

In 2015, of the total expenditure, £16,212 was to unrestricted funds and £2,262,975 was to restricted funds

**8. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016 £</b>	<b>2015 £</b>
Depreciation of tangible fixed assets: - owned by the charity	95,607	84,406
Auditor's remuneration	6,025	5,175
Auditor's remuneration - non audit	2,015	2,855
Operating lease rentals	3,312	3,312

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**9. Staff costs**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,395,101	1,305,532
Social security costs	110,011	89,853
Operating costs of defined benefit pension scheme (Note 20)	274,318	240,935
	<u>1,779,430</u>	<u>1,636,320</u>
Supply teacher costs	19,735	44,550
FRS102 Pension adjustment	39,000	17,000
	<u>1,838,165</u>	<u>1,697,870</u>

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

	2016 No.	2015 No.
Teachers	28	28
Administration and support	41	39
Management	3	3
	<u>72</u>	<u>70</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	1

The above employees participated in the Teachers' Pension Scheme.

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 £211,494 (2015: £156,527).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2016 £	2015 £
Mr M B Precious, principal and governor	Remuneration	70,000-75,000	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	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
Ms S Wardle, staff trustee	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year, no Governors received any benefits in kind (2015 - £NIL).

During the year, no Governors received any reimbursement of expenses (2015 - £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.

**12. Other finance income**

	2016 £	2015 £
Expected return on pension scheme assets	46,000	42,000
Interest on pension scheme liabilities	(85,000)	(79,000)
	<u>(39,000)</u>	<u>(37,000)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**13. Tangible fixed assets**

	Leasehold land and buildings £	Furniture & Equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	4,278,189	15,174	92,802	4,386,165
Additions	11,750	-	25,482	37,232
At 31 August 2016	<u>4,289,939</u>	<u>15,174</u>	<u>118,284</u>	<u>4,423,397</u>
<b>Depreciation</b>				
At 1 September 2015	194,740	7,030	46,969	248,739
Charge for the year	67,001	2,192	26,414	95,607
At 31 August 2016	<u>261,741</u>	<u>9,222</u>	<u>73,383</u>	<u>344,346</u>
<b>Net book value</b>				
At 31 August 2016	<u>4,028,198</u>	<u>5,952</u>	<u>44,901</u>	<u>4,079,051</u>
At 31 August 2015	<u>4,083,449</u>	<u>8,144</u>	<u>45,833</u>	<u>4,137,426</u>

Included in leasehold land and buildings is land at a cost of £932,400 (2015: £932,400) which is not depreciated.

**14. Debtors**

	2016 £	2015 £
VAT recoverable	20,977	8,422
Prepayments and accrued income	54,602	55,685
	<u>75,579</u>	<u>64,107</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**15. Creditors: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	£	£
Other taxation and social security	34,414	28,849
Other creditors	29,582	28,731
Accruals and deferred income	81,545	106,250
	<u>145,541</u>	<u>163,830</u>
	<u><u>145,541</u></u>	<u><u>163,830</u></u>
	<b>2016</b>	<b>2015</b>
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2015	44,736	33,670
Resources deferred during the year	42,066	44,736
Amounts released from previous years	(44,736)	(33,670)
	<u>42,066</u>	<u>44,736</u>
Deferred income at 31 August 2016	<u><u>42,066</u></u>	<u><u>44,736</u></u>

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

- £28,934 in relation to infant school meals received for 2016/17.
- £13,132 in relation to SEN funding received for 2016/17

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

16. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	117,933	48,250	(48,937)	-	-	117,246
<b>Restricted funds</b>						
General annual grant (GAG)	107,134	1,826,082	(1,778,124)	-	-	155,092
Pupil premium	27,160	168,150	(167,330)	(16,397)	-	11,583
Other grants and restricted income	36,369	253,845	(286,759)	-	-	3,455
Pension reserve	(1,015,000)	-	(74,000)	-	(799,000)	(1,888,000)
	<u>(844,337)</u>	<u>2,248,077</u>	<u>(2,306,213)</u>	<u>(16,397)</u>	<u>(799,000)</u>	<u>(1,717,870)</u>
<b>Restricted fixed asset funds</b>						
Donated assets	3,599,806	-	(71,027)	-	-	3,528,779
DfE/EFA capital grants	23,965	9,085	(1,096)	16,397	-	48,351
Capital expenditure from GAG	513,655	-	(23,484)	-	-	490,171
Private sector capital sponsorship	-	11,750	-	-	-	11,750
	<u>4,137,426</u>	<u>20,835</u>	<u>(95,607)</u>	<u>16,397</u>	<u>-</u>	<u>4,079,051</u>
Total restricted funds	<u>3,293,089</u>	<u>2,268,912</u>	<u>(2,401,820)</u>	<u>-</u>	<u>(799,000)</u>	<u>2,361,181</u>
Total of funds	<u><u>3,411,022</u></u>	<u><u>2,317,162</u></u>	<u><u>(2,450,757)</u></u>	<u><u>-</u></u>	<u><u>(799,000)</u></u>	<u><u>2,478,427</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**16. Statement of funds (continued)**

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 GAG funding used for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**17. Analysis of net assets between funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	4,079,051	4,079,051	4,137,426
Current assets	117,246	315,672	-	432,918	452,426
Current liabilities	-	(145,542)	-	(145,542)	(163,830)
Pension scheme liability	-	(1,888,000)	-	(1,888,000)	(1,015,000)
	<u>117,246</u>	<u>(1,717,870)</u>	<u>4,079,051</u>	<u>2,478,427</u>	<u>3,411,022</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(133,595)	56,147
<b>Adjustment for:</b>		
Depreciation charges	95,607	84,406
Interest receivable	(468)	(488)
(Increase)/decrease in debtors	(11,472)	98,077
Decrease in creditors	(18,289)	(59,144)
Capital grants from DfE and other capital income	(20,835)	(9,051)
FRS 102 pension adjustment	74,000	75,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(15,052)</u>	<u>244,947</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**19. Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash in hand	357,338	388,319
Total	<u>357,338</u>	<u>388,319</u>

# OLD BASFORD SCHOOL

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 20. 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 2013.

Contributions amounting to £29,582 were payable to the scheme at 31 August 2016 (2015 - 26,317) 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
- 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 will be as at March 2016, 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 £150,467 (2015 - £120,000).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**20. Pension commitments (continued)**

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 2016 was £116,000 (2015 - £108,000), of which employers' contributions totalled £89,000 (2015 - £82,000) and employees contributions totalled £27,000 (2015 - £26,000). The agreed contribution rates for future years are 18% 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 at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	24.4	24.2
Females	27.7	27.6

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**20. Pension commitments (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	935,000	789,000
Debt instruments	92,000	77,000
Property	164,000	139,000
Cash	58,000	38,000
Gilts	51,000	30,000
Other Assets	58,000	36,000
Total market value of assets	<u>1,358,000</u>	<u>1,109,000</u>

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

	2016 £	2015 £
Current service cost	(124,000)	(120,000)
Interest on obligation	(85,000)	(79,000)
Expected return on scheme assets	46,000	42,000
Total	<u>(163,000)</u>	<u>(157,000)</u>
Actual return on scheme assets	<u>167,000</u>	<u>19,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,124,000	2,003,000
Current service cost	124,000	120,000
Interest cost	85,000	79,000
Contributions by scheme participants	27,000	26,000
Actuarial Losses/(gains)	920,000	(46,000)
Estimated benefits paid net of transfers in	(34,000)	(58,000)
Closing defined benefit obligation	<u>3,246,000</u>	<u>2,124,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**20. Pension commitments (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	1,109,000	1,040,000
Expected return on assets	46,000	42,000
Return on assets less interest	121,000	(23,000)
Contributions by employer including unfunded	89,000	82,000
Contributions by employees	27,000	26,000
Estimated benefits paid net of transfers in	(34,000)	(58,000)
	<u>1,358,000</u>	<u>1,109,000</u>

**21. Operating lease commitments**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	1,380	3,312
Between 1 and 5 years	-	1,380
	<u>1,380</u>	<u>4,692</u>
<b>Total</b>	<u><u>1,380</u></u>	<u><u>4,692</u></u>

**22. 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.

M Precious is also a director of Ambleside Primary School. The Academy trust is a sponsor of Ambleside Primary School. The Academy Trust has been assisting Ambleside Primary School in training for which the Academy Trust received a grant of £40,000. At the 2016 year end, training costs have been incurred and a net balance of £Nil (2015: £2,414) is shown within other creditors for monies received on behalf of Ambleside Primary School.

**23. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

---

**24. Agency Arrangements**

The academy trust is a sponsor of Ambleside Primary School. The Academy Trust has been assisting Ambleside Primary School in training for which the Academy Trust received a grant of £40,000. At the 2016 year end, a balance of £Nil is shown within other creditors for monies received on behalf of Ambleside Primary School.

**25. First time adoption of FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net movement in funds.

