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Registered number: 08606536

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members and Governors Mrs Julia Monger, Chair of Governors^{1,2,4,5}
Mrs Elizabeth Woolner, Community Governor^{1,2}
Ms Sarah Hammond, Chair of Curriculum Committee³
Member The Diocese of St Albans Educational Trust, Corporate Foundation Member
Governors Mrs Victoria Morrall, Headteacher^{1,2,3,4}
Rev Stephen Liley, Chair of Finance and Audit Committee and Foundation Governor^{1,2,4,5}
Mr Daniel Roderick, Staff Governor³
Mrs Katherine Hall, Staff Governor^{1,2,3}
Mrs Jennie Jepps, Foundation Governor³
Mr Wenceslas Gatarabirwa, Foundation Governor³
Mrs Tamsyn Hammond, Community Governor^{1,2}
Mrs Mich McCarthy, Parent Governor (resigned 15 September 2016)³
Mr Matthew Barker, Community Governor (appointed 1 December 2016)³

- ¹ Member of Finance Committee
- ² Member of Audit Committee
- ³ Member of Curriculum Committee
- ⁴ Member of Pay Review Committee
- ⁵ Headteacher Appraisal sub-committee

Company registered number 08606536

Company name Ursula Taylor Church of England School

Principal and registered office Ursula Taylor Church of England School
High Street
Clapham
Bedfordshire
MK41 6EG

Accounting Officer Mrs Victoria Morrall

Senior management team Mrs Victoria Morrall, Headteacher
Mrs Katherine Hall, Deputy Headteacher
Mrs Heather Lee, Assistant Headteacher
Mrs Patricia Mulholland, School Business Manager
Miss Debbie Daley, Office Manager

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Equipoise House
Grove Place
Bedford
MK40 3LE

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Bankers	HSBC Bank 12 Allhallows Bedford MK40 1LJ
Solicitors	Ward Hadaway 1a Tower Square Wellington Street Leeds LS1 4DL

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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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 Governors' Report serves the purposes of both a Trustees' Report and a Directors' report under company law.

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Clapham, North Bedfordshire. As a Church of England School it has close links with the Diocese of St Albans. It has a maximum pupil capacity of 420 and had a roll of 335 in the school census on 6 October 2017.

In 2016 the Secretary of State granted permission for Ursula Taylor Church of England School to alter its age range from a 4-9 lower school to a 4-11 primary school. In September 2017 the first Year 5 cohort will be retained at Ursula Taylor and in September 2018 we will retain Year 6 and be at the maximum capacity of 420 children.

Structure, governance and management

CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The Academy is a single Academy Trust and these financial statements give the results of the Academy as a single entity. The Academy is incorporated in England & Wales.

The charitable company's Memorandum of Association and the Academy Funding Agreement are the primary governing documents of the Academy Trust.

The Governors of Ursula Taylor Church of England School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Ursula Taylor Church of England School. Ursula Taylor Church of England School is also known as Ursula Taylor Church of England Primary 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' INDEMNITY INSURANCE

The charitable company has purchased Governor's liability insurance and Fidelity Cover (the latter also covers staff), with cover up to £1,000,000 on any one claim.

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Ursula Taylor Church of England School's Governing Body comprises the signatories to the Memorandum who are: The Diocese of St Albans Education Trust (company number 8223185 in its capacity as corporate foundation member) and the three members provided that they are not foundation Governors and that at all times the number of foundation members does not exceed 25% of the total numbers of members.

The number of Governors shall be not less than three nor more than thirteen. In accordance with the Articles of Association the Academy Trust's Governing Body will include the Headteacher and shall have up to five Governors appointed by members, up to three foundation Governors, up to two staff Governors and a minimum of two parent Governors.

The Members may appoint up to five Governors. The members may appoint up to two staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The parent Governors shall be elected by parents of registered pupils at the Academy. A parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent Governors. Any election of parent Governors which is contested shall be held by secret ballot. The Governors may appoint up to two Co-opted Governors.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

As part of the induction process all new Governors are invited by the Chair of Governors to visit the school. New Governors are encouraged to attend the Governor Induction course provided by the Academy via Bedford Borough Council. Governors on the Finance and Audit Committees are provided with a copy of the Academies Financial Handbook.

Governor training is through participation in the comprehensive Bedford Borough Governor training programme. The Academy Trust contracts with Bedford Borough Programme for unlimited participation in the programme of training.

The Academy subscribes to Governor Hub - an online resource giving all Governors access to key data and Governing Body documentation. Governor Hub also allows Governors to share information, take part in discussion forums and view and book training as required.

ORGANISATIONAL STRUCTURE

The Governing Body establishes an overall framework for the governance of the Academy. The Governing Body has established the following committees:

- Finance Committee (including the Pay Review and Headteacher Appraisal Sub-committee)
- Audit Committee
- Curriculum Committee

Committee membership, terms of reference and scheme of delegation are reviewed by the Governing Body on an annual basis.

The strategic direction of Ursula Taylor Church of England School is led by the Headteacher supported by the Senior Management Team.

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

The Headteacher is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Governance Statement attached to this report.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

All members of SMT, including the Headteacher, are subject to an annual appraisal review. As part of the annual review process the Governors (in the case of the Headteacher's appraisal) or the Headteacher (in the case of the Senior Management Team) set performance objectives relating to the priorities for the school detailed on the School Development Plan (SDP). These priorities are subsequently used to set objectives for the Teaching Staff and Teaching Assistants.

The annual review and pay review process for the Headteacher is completed in September with a mid-year review in March. The Governors and School Improvement Partner (SIP) are responsible for determining the completion of the targets set and also any performance related pay increases. The appraisal process of the Deputy Headteacher and Assistant Headteacher is the responsibility of the Headteacher who conducts the appraisal review, sets targets for the next academic year and when appropriate, makes a recommendation to the Pay Review Committee about incremental increases.

Rules for determining the pay of Teachers in maintained schools are set out in the School Teachers Pay and Conditions Document (STPCD). As an Academy we are free to set our own pay scales and ranges, however, the Governors, on conversion in August 2013, made the decision to adopt the STPCD and the associated pay scales.

Key management personnel (Headteacher, Deputy Headteacher, Assistant Headteacher, School Business Manager and Office Manager) are paid using the scales detailed in the STPCD at the Leadership level. The salary ranges vary according to the role and responsibility levels.

The role of the Pay Review Sub-Committee (part of the Finance Committee) is to consider the recommendations of the Headteacher and make decisions in relation to staff performance and pay increases. The Pay Review Sub-Committee meets annually, although meetings are also convened at points throughout the year, in exceptional circumstances. The Headteacher's pay review is conducted by the Headteacher's Appraisal Sub-Committee of Governors in line with the school pay policy and the rules set out in the STPCD.

Remuneration of SMT members

The school pay policy and STPCD details any rules in place for remuneration above and beyond any salary increases; for example, additional payments for recruitment or retention or additional payments for work in addition to the expectations detailed within job descriptions.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Diocese of St Albans Educational Trust is a founding member of the Ursula Taylor Church of England School Academy Trust.

The Academy Trust participates in events organised as part of the Bedford Borough Learning Exchange (BBLE) and the Diocese of St Albans and School to School training and support as part of St Thomas More and Peter Pan Teaching Schools. These professional partnerships have provided opportunities for experts to share delivery and good practice to drive up standards.

The Academy Trust is a member of the School Sports Partnership. The school has been able to promote physical activity. Our pupils have had the opportunity to engage in PE and sports events competing and participating with other children from other local Primary Schools.

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

Objectives and Activities

OBJECTS AND AIMS

The Academy Trust's object is specifically restricted to the advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England Religious Character offering a broad and balanced curriculum. Conducted in accordance with the principles, practices and tenants of the Church of England both generally and in particular in relation to arranging for Religious Education and daily acts of worship (as required by the Academy Funding Agreement) and having regard to any advice of the Diocesan Board of Education.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The strategic direction of the school is detailed within the School Development Plan. This is a working document which is contributed to by all stakeholders and reviewed at regular points throughout the year. The School Development Plan is determined by a full evaluation of the previous year and also through data analysis.

The School Development Plan for 2016-2017:

Key Area 1: Teaching, Learning and Assessment

- To embed appropriate assessment tools across the school
- To research and implement mentoring /coaching for staff
- To introduce 'Super Weeks' linking to our Creative Curriculum
- To increase subject pedagogy for Year 5 and 6
- To complete the cycle of moderation
- To ensure all Teaching is of a consistent high quality across the school

Key Area 2: Outcome for children

- To audit, evaluate and improve provision of SEND children
- To increase the % of children achieving the Year 1 phonics screening threshold
- To increase the opportunities for open-ended tasks and mastery in Maths
- To increase the opportunities for Child Initiated / Child centred learning
- To embed pre-learning strategies across the school
- To increase the % of children achieving the expected levels in Reading, writing and SPaG – with a particular focus on spelling

Key Area 3: Personal Development, Behaviour and well-Being

- To embed the Early Excellence Well-Being and Involvement project started in 2015
- To introduce 'Thinking and Learning' skills to support self-assessment and increase awareness of children's learning behaviours
- To introduce a Junior leadership team (JLT) in readiness for the retention of Year 5 and 6
- To celebrate our Christian Distinctiveness through our Values Education Programme and 'Understanding Christianity' Project
- To increase the range of Extra-Curricular opportunities available
- To introduce a weekly well-being hour for all staff and children

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

Key Area 4: Leadership, Management and Governance

- To embed subject leader roles and responsibilities
- To market the school effectively to update parents on our transition to Primary Status
- To re-evaluate and improve the appraisal process for all staff
- To determine the Governing Body's position with regard to MATs
- To successfully transition into a full Primary School
- To re-evaluate the roles and responsibilities of the SMT

The School Development Plan is reviewed at least termly and evaluated in full at the end of the Academic Year. If actions have not been fully met, it is considered if those actions need carrying forward into the following year.

Throughout the Academic Year we contribute towards charitable activities in various ways. The school holds events to support a number of different charities throughout the year, including The Bishop of St Albans' Harvest Appeal, Children in Need, Sports Relief, Royal British Legion - Poppy Appeal, Save the Children, World Wildlife Fund and Water Aid. Supporting charities and raising money for good causes is an important aspect of our ethos and essential for our children to contribute to.

PUBLIC BENEFIT

The Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy provides education to children that is;

- Balanced and broadly based.
- Engaging, creative and challenging.
- Promotes the spiritual, moral, social, cultural, mental and physical development of students at the school and in society.
- Prepares students at the school for the opportunities, responsibilities and experience required for secondary school and later life.
- Promotes, sustains and increases individual and collective knowledge, skills and expertise.

The Academy is a non-selective school. It is subject to the current statutory arrangements as laid down in the Schools Admissions Code. Children are admitted to Ursula Taylor Church of England School through abiding by the admissions arrangements and protocols delivered by Bedford Borough Council.

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

STRATEGIC REPORT

Achievements and performance

REVIEW OF ACTIVITIES

Ursula Taylor's primary achievements are to ensure a broad, balanced and challenging curriculum that provides children with aspirations and a high quality education. Educational Standards are measured using assessment information tracking and analysing different groups of pupils to determine attainment and rates of progress. The data analysis is used to inform children's next steps, any intervention provision required and the school's priorities for the future. (Specific assessment information can be provided by request from the Headteacher.) Final end of year assessments are measured against targets set at the start of the year. We also measure our academic achievements against Local Authority Assessment Information and National Averages/Expectations.

The teaching staff undergo a full appraisal process based on targets relating to the school priorities. The appraisal process is related to pay and increasing the standard of teaching and learning in the school. Appraisal information and numbers of teaching staff at Main Pay Scale, Upper Pay Scale and Leadership scale are reported to the Governing Body.

KEY PERFORMANCE INDICATORS

Ursula Taylor Church of England School Key Performance Indicators are:

- Ofsted Inspection from February 2016.
- Statutory Inspection for Anglican and Methodist Schools Report – March 2017
- Foundation Stage, Key Stage 1 and End of Year 4 Assessment Information.
- Pupil Attendance records.
- Budget Monitoring statements.
- Assurance of Value for Money re: Staffing, resourcing and managing the Academy.
- Parent, Children and Staff Questionnaires.
- Social, Moral, Spiritual and Cultural Provision.
- Pupil well-being scales. E.g. Leuven Scales for well-being and involvement.
- Religious Education Quality Mark Application - Gold award achieved July 2016.

All information relating to these areas is held by the Headteacher and can be made available on request.

GOING CONCERN

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

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

Financial review

REVIEW OF PERIOD

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of instalments throughout the period and capital grants, the use of which are restricted.

The revenue grants received during the period and the associated expenditure is shown as restricted general funds in the Statement of Financial Activities. Capital grants are shown in the Restricted Fixed Asset Fund.

The GAG income for the period was £970,144. Total ESFA grant income and other grants and funding for educational purposes (excluding capital grants) was £228,937.

Expenditure includes total staff costs of £1,066,451. Included in these costs is an amount of £43,651 which relates to the Kids Club. If these costs are excluded the remaining staff costs amount to £1,022,800 which represents 105.4% of GAG income and 85.3% of GAG income including other grants and funding for educational purposes (excluding capital grants and start up grants).

The excess of expenditure over income for the year, excluding movements on the fixed asset fund and the pension reserve and transfers between funds was £9,838.

The Local Government Pension Scheme for non-teaching staff had an opening deficit of £205,000 as at 31 August 2016 and a closing deficit of £180,000.

At 31 August 2017, the School had total funds of £1,748,644. This includes £1,704,981 of restricted fixed asset funds. This is after accounting for the new build costs which were financed by Bedford Borough Council and have been included at a value of £1,430,322 and adjusting for the prior year adjustment as fully described in note 16 to the financial statements. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £180,000 at 31 August 2017 and is included within restricted funds.

Pupil Premium funding of £55,358 was received during the year. This funding is allocated to ensure that teaching and learning opportunities meet the needs of all pupils and ensure that appropriate provision is made for pupils who belong to vulnerable groups. The school has utilised the money by providing 1:1 support for children and supporting pupils with social, emotional and varying behavioural needs. The Pupil Premium Funding is designated for 'removing barriers to education, that may exist for children and families within different vulnerable groupings'.

Pupil Premium has been used to fund extra Teaching Assistant staff who specialise in providing intervention support and staff who can provide more specialist teaching to our vulnerable children. Funding has also been used to subsidise school visits for those children in receipt of pupil premium. The focus of our work has been aimed at accelerating progress, moving children to at least age related expectations, ensuring children progress at a rate commensurate to their peers, and to narrow the gap between children in disadvantaged and vulnerable groups and other children.

Pupil Premium funding has also been used to secure new resources for the whole school reading scheme, including Guided Reading Resources, Pearson 'Bug Club' online subscription and also a set of books for closing the gap and intervention purposes. The school library has been upgraded to provide access to high quality texts for all children. This was partly funded through the Pupil premium and also donations from the Parents, Teachers and Friends Association (PTFA).

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

The school received a £9,160 PE and Sports Grant for the academic year 2016-17. This grant was used to fund improvements to the provision of PE and sport for the benefit of pupils in the school. These included continued improvements to our Gymnastics equipment through the purchase of new wall bars, purchase of replacement sports benches and gym mats, hockey resources and membership of Sharnbrook Sports Partnership enabling our pupils to participate in sports activities and festivals alongside pupils from other local schools.

The school received Capital Funding of £7,194 for the academic year 2016-17. The grant was used to part fund the purchase of ICT equipment (two laptops and three Clevertouch screens) for the classrooms, ICT revenue funds were used to fund the balance of this project. As previously mentioned, £1,430,322 has been treated as a transfer from the local authority to reflect the new build costs in the year.

The parents of Ursula Taylor Church of England School make annual donations to part fund the upkeep of the school swimming pool, this is combined with an annual donation from the Parents, Teachers and Friends Association (PTFA) and also allocated funds from the General Annual Grant (GAG).

RESERVES POLICY

The Finance Committee review the reserve levels of the Academy at each Finance Committee meeting. This review examines the income and expenditure streams against the forecasts to match commitments, and to identify or forecast any potential shortfall. The Governors have determined that the appropriate levels of reserves should be at least 2% of income. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income from the applicable streams or to provide a cushion for unexpected emergency expenditure and to manage any reduction in income from one year to the next. The Academy will continue to keep reserves at this level subject to constant and on-going review.

At 31 August 2017, the total reserves amount to £1,748,644. The funds comprised: Unrestricted funds of £133,177; restricted fixed asset fund of £1,704,981; GAG restricted funds of £2,009; other restricted funds of £88,477; and a pension reserve deficit of £180,000.

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors.

The deficit on the pension reserve relates to the non-teaching staff pension scheme (Local Government Pension Scheme) where, unlike the Teachers' Pension Scheme, the deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

INVESTMENTS POLICY

The Governing Body will agree a treasury management policy when applicable for the investment of surplus funds. Short term investments will be restricted to the transfer to the School's HSBC Business Account managed by the School Business Manager and certified by the Accounting Officer. Any investment will be in accordance with a prudent low risk policy and must observe the guidelines issued by the Education and Skills Funding Agency. Sums that may be invested for a longer term will be given careful consideration.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors acknowledge responsibility for safeguarding the assets of Ursula Taylor Church of England School and hence take reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The school is operating efficiently and effectively.
- Our assets are safeguarded against unauthorised use or disposition.
- The proper records are maintained and financial information used within the Academy's publication of accounts is reliable.
- The school complies with relevant laws and regulations.

The Academy operates a sound system of internal financial control and internal checks, these systems are examined periodically by the Academy's auditor. Financial management reports are prepared each half term; these are monitored by the Finance and Audit Committees, and on a monthly basis by the Accounting Officer. The Academy completed a Financial Management and Governance review in November 2013 as required by the Education and Skills Funding Agency. A self-assessment of internal financial controls is carried out on an annual basis; controls were assessed in November 2013 and reviewed in October 2014, September 2015 and September 2016 and September 2017.

The Governors recognise the defined benefit pension scheme deficit (Local Government Pension Scheme) represents a potential liability. The Academy however is able to meet its known annual contribution commitments for the foreseeable future and this risk is considered minimal.

The risk register is reviewed annually by the Governors. Risks identified on the register include strategic, operational, compliance, financial and reputational risk. Systems are in place to mitigate exposure to these risks.

Plans for future periods

FUTURE DEVELOPMENTS

The budget for 2017-18 academic year was set and agreed by the Governing Body and the positive financial position is expected to be maintained. A five year budget plan is in place preparing Ursula Taylor Church of England School for the continued transition to a primary school from September 2017, when Year 5 has been retained and again in September 2018 when Year 6 will be retained.

In order to maintain and develop the ethos and vision of the Academy the key priorities for the forthcoming academic years 2017 - 2018 are:

School Development Plan – Priorities for 2017/2018

Priority 1: Literacy

Including:

- Increasing the % achieving the Good Level of Development (GLD) in the Early Years Foundation Stage (EYFS) to be in line with Local Authority attainment of 66.7%
- Increasing the % in Year 1 achieving the Phonics screening standard. Target set of 81% in Year 1 and 90% by the end of Year 2.
- Review phonics teaching / intervention in Year 1.
- Review the impact and delivery of the spelling scheme across the school.
- Diminishing the differences between Pupil Premium and Non-Pupil Premium pupils.

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GOVERNORS' REPORT (continued)
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Priority 2: Numeracy

Including:

- Embedding the 2014 curriculum and extending into Year 5 and 6 through our Primary conversion.
- Fully utilising the White Rose Maths Hub and the Hert for Learning Curriculum
- Rising Stars and White Rose Maths assessments to be used in Year 5 and 6 alongside the KS2 ITAF statements (Interim Teacher Assessment Framework)
- Home Learning in Year 3 – 6 to be reviewed and extended with a particular focus on challenge and pace
- Whole school focus on Times Tables
- Diminishing the differences between Pupil Premium and Non-Pupil Premium pupils

Priority 3: Primary Conversion

Including:

- Pre-planning for Year 6 SATs
- Review and Purchase of Year 6 equipment
- Curriculum development for Year 5 and 6, progression, challenge and pace
- Year 6 staffing for 2018/2019

Priority 4: Financial Management

Including:

- Budget Management
- Long term projections and pre-planning expenditure
- Funding Formula changes and impact long term
- Energy Costs – reviewing and reducing where possible
- Condition Improvement Fund – Bids to be submitted

Priority 5: Teaching Assistants

Including:

- Skills audit and CDP review
- Needs analysis to support future deployment
- Provision Mapping / pre-learning / Intervention
- Pilot strategies from Education Endowment Foundation – TA Review and analysis

Priority 6: Early Years Foundation Stage and Year 1

Including:

- Classroom relocation and resourcing update
- Year 1 Teaching team and class strategy
- Phonics in EYFS / Y1
- Writing % at GLD in EYFS and ARE in Year 1

FUNDS HELD AS CUSTODIAN

During the period 1 September 2016 to 31 August 2017, the Ursula Taylor Church of England School did not hold any funds as a custodian trustee on behalf of any charitable organisation.

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

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditor, MHA MacIntyre Hudson, 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 Governing Body, as the company directors, on 30/11/17 and signed on its behalf by:


.....
Mrs Julia Monger
Chair of Governors

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mrs Julia Monger	5	6
Mrs Elizabeth Woolner	5	6
Ms Sarah Hammond	4	6
The Diocese of St Albans Educational Trust, Corporate Foundation Member	0	6
Mrs Victoria Morrall, Headteacher	5	6
Rev Stephen Liley	6	6
Mr Daniel Roderick	6	6
Mrs Katherine Hall	6	6
Mrs Jennie Jepps	3	6
Mr Wenceslas Gatarabirwa	4	6
Mrs Tamsyn Hammond	6	6
Mrs Mich McCarthy	0	0
Mr Matthew Barker	4	5

Mrs Mich McCarthy resigned from the Governing Body on 15 September 2016.

Mr Matthew Barker attended the Governing Body meeting as an observer on 15 September 2016 and was elected onto the Governing Body on 1 December 2016.

Governance review:

The Governing Body constitutes three main sub-committees; Finance, Audit and Curriculum as well as the Pay Review and Headteacher's Appraisal sub-committee as a subset of the Finance Committee. The Finance and Audit Committees meet at the same time although have clearly delineated roles and responsibilities which are minuted accordingly. In addition to this the Governing Body, as and when required, create working parties for aspects of the school's work which require a smaller and more tightly focused group. e.g. Strategy Group for the move towards Primary Consultation.

The Governing Body have completed an internal audit and action plan to ensure the continuous improvement of the Governing Body.

The **Finance Committee** is a sub-committee of the main Governing Body. The Finance Committee meets at least termly prior to the Full Governing Body meeting and is responsible for the following areas:

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

- To elect a Chair and Vice-Chair of Committee annually.
- To monitor all spending and income received in the school i.e. ESFA Delegated /Devolved Budgets and School Private Fund(s).
- To ensure the school adheres to the policies and procedures as specified by the Department for Education, the Academies Financial Handbook and Financial Management and Governance Evaluation.
- To review and monitor budget projections / medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.
- To recommend to the Full Governing Body approval of the annual budget plan and cash flow forecasts for the forthcoming financial year in accordance with the timescales dictated by the ESFA.
- To determine the school's financial priorities through the School Development Plan (SDP) and the Asset Management Plan (AMP).
- To receive management reports, to facilitate the monitoring of the school's actual financial performance compared with budgeted priorities and cash flow, and to take remedial action as necessary. Such action will be reported to the Governing Body. In all cases liaison must be maintained with other appropriate committees.
- To make decisions on requests from other committees that will have an impact on the school's financial position.
- To make decisions on expenditure within the Committee's delegated powers.
- To make decisions on virements within agreed budgets, within the Committee's delegated powers, and authorising any budgetary adjustments made.
- To advise the Governing Body on the appropriateness, or otherwise, of virements made.
- To review annually the school's Financial Manual and Scheme of Delegation.
- To review annually the Terms of Reference of the Finance Committee, prior to approval of the Full Governing Body.
- To ensure the Register of Business Interests is kept up to date.
- To annually review all on going contracts (Including Local Authority Contracts).
- To review the various leasing agreement schemes and options available to the Academy.
- To award contracts by tender up to the limit as specified in the finance manual.
- To ensure the school has appropriate internal financial controls in place.
- To ensure that all financial controls are adhered to via regular testing and management checks in order to protect against fraudulent or improper use of public money and assets and enable satisfactory completion of the Statement of Internal Control (SIC).
- To review appropriate financial benchmarking data, in order to compare the school's financial performance with other similar schools.
- To ensure that funding from the ESFA and other sources is used only in accordance with any conditions attached.
- To annually review and appoint the independent examiner to the School Fund.
- To receive and approve / ratify the annual accounts of the School Fund.
- To agree and determine appropriate charges for lettings of the premises, in line with the Academy's lettings policy.
- The Clerk will make a record of all proceedings at each meeting. Minutes will be circulated to members within seven days of the meeting and presented with the agenda for the next Full Governing Body meeting.
- The Chair of the Finance Committee will report the work of the Committee to the Full Governing Body.
- The Committee will liaise with such other committees and invite members of other committees to attend its meeting as should be deemed appropriate.
- Any matters which may be in conflict with the work of another committee must be referred to the Governing Body.

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Rev Stephen Liley (Chair of Finance Committee)	5	6
Mrs Victoria Morrall	6	6
Mrs Elizabeth Woolner	6	6
Mrs Julia Monger	6	6
Mrs Katherine Hall	2	6
Mrs Tamsyn Hammond	5	6

Mrs Wendy Bartle also attended the meetings in her role as School Bursar until she left on 22 May 2017 and was replaced by Mrs Patricia Mulholland as School Business Manager.

The **Audit Committee** is also a sub-committee of the main Governing Body. The Audit Committee meets as required and is responsible for the following areas:

- Advise the Governing Body and Accounting Officer on the adequacy and effectiveness of the Academy's governance, risk management, internal control and value for money systems and frameworks. An annual report will be produced by the Audit Committee in this regard.
- Advise the Governing Body on the need for, and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of, an internal auditor or other assurance provider to enable the Board to sign the corporate governance statement in the annual accounts.
- Advise the Governing Body on an appropriate programme of work to be delivered by independent assurance providers (external auditors and responsible officer). This programme of work to be derived from the Audit Committee's regard of the key risks faced by the Academy Trust, the assurance framework in place and its duty to report to the Governing Body.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (annual reports, management letters etc) from the external auditor and other bodies, for example the ESFA and NAO, and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the Board or other committee for information and action.
- Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- Consider and advise the Governing Body on any alleged fraud and irregularity in the Academy Trust's financial and other control systems and ensuring that all allegations of fraud and irregularity are properly followed up in accordance with the Academy Trust's whistle blowing policy.
- Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- Ensure appropriate cooperation and coordination of the work of the external auditor and responsible officer.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Rev Stephen Liley (Chair of Audit Committee)	5	6
Mrs Victoria Morrall	6	6
Mrs Elizabeth Woolner	6	6
Mrs Julia Monger	6	6
Mrs Katherine Hall	2	6
Mrs Tamsyn Hammond	5	6

Mrs Wendy Bartle also attended the meetings in her role as School Bursar until she left on 22 May 2017 and was replaced by Mrs Patricia Mulholland as School Business Manager.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

The **Curriculum Committee** is also a sub-committee of the main Governing Body. The Curriculum Committee meets at least termly and is responsible for the following areas:

- To provide guidance to the Governing Body, and support for the Headteacher, on all matters relating to the curriculum, its implementation and delivery.
- To contribute towards, and monitor, the School Development Plan in respect of curriculum issues.
- To approve statutory and in-school targets.
- To monitor progress towards targets and against previous attainment of all pupils and vulnerable groups of pupils including those in receipt of pupil premium, gender, SEN, gifted and talented, ethnicity, EAL and those making less than expected progress.
- To review the school's curriculum policy (statement of aims and values) and advise the Governing Body on this and other policies and documents relating to curriculum areas.
- With the assistance of staff, to provide information about how the curriculum is taught, evaluated, monitored, evaluated and improved.
- To agree, monitor and review the policy and provision for Sex Education.
- To agree, monitor and review the policy and provision for Collective Worship and Religious Education.
- To assist with ensuring that the requirements of pupils with additional and special educational needs are met, including those identified as gifted and talented.
- To receive reports regarding the overall quality of teaching in the school, taking the role of the critical friend.
- A written report will be made for the next meeting of the Governing Body. This will include decisions made under delegated powers by the committee and recommendations where there is no delegation.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs Victoria Morrall	3	4
Mr Daniel Roderick	4	4
Ms Sarah Hammond (Chair of Curriculum Committee)	2	4
Mrs Katherine Hall	3	4
Mrs Jenny Jepps	2	4
Mr Wenceslas Gatarabirwa	3	4
Mrs Mich McCarthy (resigned 15 September 2016)	0	0
Mr Matthew Barker	2	3

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

REVIEW OF VALUE FOR MONEY

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

- Applying the principles of Best Value when making decisions about the allocation of resources to best promote the mission statement, aims and values of the school. Resources have been targeted to improve standards and have ensured the various needs of all pupils, staff, parents and Governors have been met. Resources have been allocated in the most efficient and effective way, at a reasonable cost and resulted in continuous improvement in our achievements.
- Presenting regular financial monitoring report to the Finance Committee, where Governors have applied principles of best value in challenging: the service delivery, comparing: pupil performance and financial performance with other schools.
- Planning for the permitted change of age range to begin in September 2017 and be completed in September 2018.
- Using a well-established robust, system of internal financial control. Governors and school leaders have followed procurement procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.
- Procedures in place include: Competitive tendering; Acceptance of "best value" quotes, which are not necessarily the cheapest; Consideration of best value when arranging service contracts; Procedures which minimise admin time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Pupils' Welfare

Governors and school leaders have reviewed the quality of the learning environment and the school ethos, in order to provide a supportive environment conducive to learning and healthy, active lifestyles.

Health & Safety

Governors and school leaders have reviewed the quality of the learning environment and resources, carrying out appropriate risk assessments, in order to provide a safe working environment for pupils, staff and visitors.

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

Monitoring

These areas were monitored for best value by:

- 1) In-house monitoring by SMT and subject leaders
- 2) Termly target setting meetings between the SMT and Phase Leaders
- 3) Annual Performance Management / Appraisal
- 4) Annual Budget Planning
- 5) Headteacher's financial review with the School Bursar
- 6) Termly visits by the Trustees' approved school improvement partner
- 7) Planned visits by the Responsible Officer
- 8) Analysis of school pupil performance data, e.g. Interim Statements and Are Related Expectations (ARE) results, optional assessments, Foundation Stage Profile and Year 1 Phonics Screening
- 9) Analysis of DFE financial data, FMS 6 reports, against bench mark data for groups of schools
- 10) Analysis of DFE/OFSTED pupil performance data, e.g. RAISEonline, data dashboard and Bedford Borough local data
- 11) OFSTED Inspection reports
- 12) Classroom observations to assess the quality of teaching in accordance with Teachers' Pay & Conditions
- 13) Governors' termly committee meetings
- 14) Full Governing Body meetings
- 15) Trustees' Annual Target Setting Meeting (School Development Planning and Strategic Direction)

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ursula Taylor Church of England School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors previously appointed Mrs Susan Lilley as RO to perform additional checks. She resigned from the position at the end of 2016 and the Governing Body was unable to appoint another RO for the 2016/17 academic year. As a result, no independent checks were carried out in the year. An RO has however been appointed for 2017/18.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On an annual basis, the RO should report to the Governing Body through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

REVIEW OF EFFECTIVENESS

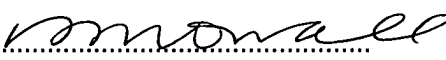
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Governing Body on **30/11/17** and signed on their behalf, by:


.....
Mrs Julia Monger
Chair of Governors


.....
Mrs Victoria Morrall
Accounting Officer

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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

.....*Victoria Morrall*.....
Mrs Victoria Morrall
Accounting Officer

Date: *30.11.17*

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as Trustees of Ursula Taylor Church of England 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 its 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 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 charitable company 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 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 Governing Body and signed on its behalf by:


.....
Mrs Julia Monger
Chair of Governors

Date: 30/11/2017

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
URSULA TAYLOR CHURCH OF ENGLAND SCHOOL**

OPINION

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust 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.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
URSULA TAYLOR CHURCH OF ENGLAND SCHOOL**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

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

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
URSULA TAYLOR CHURCH OF ENGLAND SCHOOL

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 15 October 2017

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

In accordance with the terms of our engagement letter dated 30 August 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 Ursula Taylor Church of England 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 Ursula Taylor Church of England School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ursula Taylor Church of England 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 Ursula Taylor Church of England School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF URSULA TAYLOR CHURCH OF ENGLAND SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Ursula Taylor Church of England School's funding agreement with the Secretary of State for Education dated 11 July 2013, 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 Trust's income and expenditure.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO URSULA TAYLOR CHURCH OF ENGLAND SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

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



Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 15 October 2017

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
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STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	16,570	1,437,516	1,454,086	18,518
Charitable activities:	5					
Educational operations		-	1,199,081	-	1,199,081	1,154,571
Other trading activities	3	85,989	-	-	85,989	78,314
Investment income	4	20	-	-	20	14
TOTAL INCOME		86,009	1,215,651	1,437,516	2,739,176	1,251,417
EXPENDITURE ON:						
Charitable activities:						
Educational operations		11,644	1,248,518	43,872	1,304,034	1,205,568
Other expenditure	7	50,704	632	-	51,336	55,249
TOTAL EXPENDITURE	6	62,348	1,249,150	43,872	1,355,370	1,260,817
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	23,661 (34,393)	(33,499) 8,587	1,393,644 25,806	1,383,806 -	(9,400) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(10,732)	(24,912)	1,419,450	1,383,806	(9,400)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	60,000	-	60,000	(95,000)
NET MOVEMENT IN FUNDS		(10,732)	35,088	1,419,450	1,443,806	(104,400)
RECONCILIATION OF FUNDS:						
Total funds brought forward		143,909	(124,602)	285,531	304,838	2,894,655
Prior year adjustment (Note 16)		-	-	-	-	(2,485,417)
TOTAL FUNDS CARRIED FORWARD		133,177	(89,514)	1,704,981	1,748,644	304,838


The notes on pages 32 to 55 form part of these financial statements.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08606536

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	As restated 2016 £
FIXED ASSETS					
Tangible assets	13		1,702,909		283,459
CURRENT ASSETS					
Debtors	14	35,879		29,676	
Cash at bank and in hand		260,108		267,147	
		<u>295,987</u>		<u>296,823</u>	
CREDITORS: amounts falling due within one year	15	(70,252)		(70,444)	
NET CURRENT ASSETS			<u>225,735</u>		<u>226,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,928,644</u>		<u>509,838</u>
Defined benefit pension scheme liability	24		(180,000)		(205,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,748,644</u></u>		<u><u>304,838</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	90,486		80,398	
Restricted fixed asset funds	17	1,704,981		285,531	
		<u>1,795,467</u>		<u>365,929</u>	
Restricted income funds excluding pension liability					
Pension reserve		(180,000)		(205,000)	
		<u>1,615,467</u>		<u>160,929</u>	
Total restricted income funds					
Unrestricted income funds	17		133,177		143,909
TOTAL FUNDS			<u><u>1,748,644</u></u>		<u><u>304,838</u></u>

The financial statements on pages 29 to 55 were approved by the Governors, and authorised for issue, on 30/11/17 and are signed on their behalf, by:



Mrs Julia Monger
 Chair of Governors

The notes on pages 32 to 55 form part of these financial statements.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

		2017	As restated
	Note	£	2016
			£
Cash flows from operating activities			
Net cash provided by operating activities	19	18,747	17,906
Cash flows from investing activities:			
Interest from investments		20	14
Purchase of tangible fixed assets		(33,000)	(20,963)
Capital grants from DfE/ESFA		7,194	7,198
Net cash used in investing activities		(25,786)	(13,751)
Change in cash and cash equivalents in the year		(7,039)	4,155
Cash and cash equivalents brought forward		267,147	262,992
Cash and cash equivalents carried forward	20	260,108	267,147

The notes on pages 32 to 55 form part of these financial statements.

URSULA TAYLOR CHURCH OF ENGLAND 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.

Ursula Taylor Church of England School constitutes a public benefit entity as defined by FRS 102.

The comparative figures in respect of the year ended 31 August 2016 have been restated as a result of a prior year adjustment, see note 16.

The financial statements are prepared in sterling, the functional currency, rounded to the nearest £1.

It is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Governors' Report.

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 Trust 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 Incoming resources

All incoming resources are included in the Statement of Financial Activities Incorporating Income and Expenditure Account when the academy trust has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability.

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

1. ACCOUNTING POLICIES (continued)

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

Capital grants are recognised when receivable 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.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities incorporating Income and Expenditure Account, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Donations

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

Other income

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

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to reflect these assets in the restricted fixed asset fund. Fixed assets are carried at cost, net of depreciation and any provision for impairment.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	straight line over 50 - 125 years
Fixtures and fittings	-	straight line over 4 - 10 years
Computer equipment	-	straight line over 3 years

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

The Academy Trust occupies land and buildings which is owned by the St Albans Diocese. The Diocese is the provider of the property to the Academy Trust on the same basis as when the Academy was a voluntary controlled school. The Academy Trust occupies the property under a licence. This continuing permission of the Diocese is pursuant to, and subject to, the Diocese's charitable objects. The licence delegates aspects of the management of the land to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Trustee has given an undertaking to the Secretary of State that not less than two years' notice to terminate the occupation of the land will be given to the Academy Trust.

Having considered the factual matrix under which the Academy Trust is occupying the property, and the guidance in the Academies Accounts Direction for the year ended 31 August 2017, the Academy Trust Governors have concluded that the land and buildings transferred on conversion to the Academy Trust should not be recognised on the balance sheet of the Academy Trust. However, the Academy Trust Governors consider that property improvements since conversion should be recognised at fair value on the balance sheet of the Academy Trust.

1.6 Operating leases

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

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

1. ACCOUNTING POLICIES (continued)

1.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Debtors

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

1.9 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.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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. 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.

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

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

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

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 24, 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

1. ACCOUNTING POLICIES (continued)

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the 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 and include grants from the Education and Skills Funding Agency, Department for Education or other funders.

Investment income, gains and losses are allocated to the appropriate fund.

1.14 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 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 24, 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 judgments that have had a significant effect on amounts recognised in the Financial Statements are those concerning the choice of depreciation and asset lives.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

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	-	16,570	-	16,570	11,321
Capital Grants	-	-	1,437,516	1,437,516	7,197
	-	16,570	1,437,516	1,454,086	18,518
<i>Total 2016</i>	-	11,321	7,197	18,518	

Capital grants includes £1,430,322 paid by the local authority in respect of the new buildings donated to the academy in the year.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rental income	1,697	-	1,697	1,306
Kids club	79,599	-	79,599	71,409
Other income	4,693	-	4,693	5,599
	85,989	-	85,989	78,314
<i>Total 2016</i>	78,274	40	78,314	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest received	20	-	20	14
<i>Total 2016</i>	14	-	14	

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	970,144	970,144	987,763
Pupil Premium	-	55,358	55,358	55,947
Other ESFA / DfE grants	-	65,367	65,367	65,084
	-	1,090,869	1,090,869	1,108,794
Other government grants				
Local Authority grants	-	84,331	84,331	35,727
	-	84,331	84,331	35,727
Other funding				
Other income	-	23,881	23,881	10,050
	-	23,881	23,881	10,050
	-	1,199,081	1,199,081	1,154,571
Total 2016	-	1,154,571	1,154,571	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

6. EXPENDITURE - EDUCATIONAL ACTIVITIES

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	As restated Total 2016 £
Educational operations:					
Direct costs	886,655	-	65,056	951,711	896,592
Support costs	136,145	43,872	172,306	352,323	308,976
	<u>1,022,800</u>	<u>43,872</u>	<u>237,362</u>	<u>1,304,034</u>	<u>1,205,568</u>
<i>Total 2016</i>	<u>942,008</u>	<u>23,615</u>	<u>239,945</u>	<u>1,205,568</u>	

In 2017, of the total educational expenditure of £1304,034 (2016: £1205,568), £11,644 (2016 - £2,622) was to unrestricted funds and £1,292,390 (2016 - £1,202,946) was to restricted funds.

7. OTHER EXPENDITURE

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other costs	-	632	632	1,048
Kids club - costs	2,675	-	2,675	3,550
School shop costs	4,378	-	4,378	6,305
Kids club - wages and salaries	36,959	-	36,959	38,040
Kids club - NI	1,665	-	1,665	1,673
Kids club - pension costs	5,027	-	5,027	4,633
	<u>50,704</u>	<u>632</u>	<u>51,336</u>	<u>55,249</u>
<i>Total 2016</i>	<u>54,201</u>	<u>1,048</u>	<u>55,249</u>	

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

8. CHARITABLE ACTIVITIES

	Total funds 2017 £	As restated Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	685,395	664,066
National insurance	56,010	44,968
Pension cost	145,250	108,529
Other staff costs	5,294	2,229
Educational supplies	35,665	55,209
Staff development	8,345	6,248
Staff related insurance	4,932	3,279
Technology costs	6,497	7,854
Bought in professional services	4,310	4,210
Travel and subsistence	13	-
	<u>951,711</u>	<u>896,592</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	107,290	97,641
National insurance	6,072	4,682
Pension cost	22,783	22,122
Depreciation	43,872	23,615
Defined benefit pension scheme net finance cost	4,000	4,000
Technology costs	9,042	9,953
Bought in professional services	10,125	8,750
Maintenance of premises & equipment	13,514	9,212
Operating lease rentals	4,820	4,890
Rates and water	10,902	10,375
Energy	17,319	15,300
Insurance	12,721	10,896
Catering	63,614	61,900
Other occupancy costs	6,354	5,644
Other support costs	7,340	7,778
Governance costs	12,555	12,218
	<u>352,323</u>	<u>308,976</u>
Total Academy's educational operations	<u><u>1,304,034</u></u>	<u><u>1,205,568</u></u>

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	As restated
	£	2016
		£
Depreciation of tangible fixed assets:		
- owned by the academy	43,872	23,615
Auditor's remuneration - audit	8,100	7,900
Auditor's remuneration - other services	1,449	1,739
Operating lease rentals	4,890	4,890

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	825,730	799,747
Social security costs	63,747	51,323
Operating costs of defined benefit pension schemes	173,060	135,284
	<u>1,062,537</u>	<u>986,354</u>
Agency supply costs	3,914	-
	<u><u>1,066,451</u></u>	<u><u>986,354</u></u>

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

	2017 No.	2016 No.
Teaching	14	12
Administration and support	38	33
Management	5	4
	<u>57</u>	<u>49</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teaching	11	10
Administration and support	19	20
Management	5	4
	<u>35</u>	<u>34</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Key Management Personnel of the Academy comprise the trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer's pension contributions) received by Key Management Personnel for their services to the Academy was £270,571 (2016: £221,107).

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

11. 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:

Mrs Victoria Morrall (Headteacher):

Remuneration	£55,000 - £60,000 (2016: £50,000 - £55,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

Mrs Katherine Hall (Staff Governor):

Remuneration	£45,000 - £50,000 (2016: £40,000 - £45,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

Mr Daniel Roderick (Staff Governor):

Remuneration	£35,000 - £40,000 (2016: £30,000 - £35,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

During the year, no Governors received any reimbursement of expenses (2016 - £NIL).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2017 is not separately identified but is included in the total insurance cost of £10,721 (2016 - £8,811).

URSULA TAYLOR CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016 (as previously stated)	2,801,510	27,292	72,954	2,901,756
Prior year adjustment (note 16)	(2,562,500)	-	-	(2,562,500)
At 1 September 2016 (as restated)	239,010	27,292	72,954	339,256
Additions	1,435,519	21,402	6,401	1,463,322
At 31 August 2017	1,674,529	48,694	79,355	1,802,578
Depreciation				
At 1 September 2016 (as previously stated)	114,644	5,362	49,874	169,880
Prior year adjustment (note 16)	(114,083)	-	-	(114,083)
At 1 September 2016 (as restated)	561	5,362	49,874	55,797
Charge for the year	26,753	4,029	13,090	43,872
At 31 August 2017	27,314	9,391	62,964	99,669
Net book value				
At 31 August 2017	1,647,215	39,303	16,391	1,702,909
At 31 August 2016 (as restated)	238,449	21,930	23,080	283,459

Included within land and buildings is leasehold land of £217,650 (2016: £225,000) which is owned by the local authority who have granted a 125 year lease to the Academy at no cost to the Academy.

As reported in the governors report, the Academy has built additional classrooms during the year in preparation for the conversion to two-tier. The local authority incurred all construction costs in respect of the new building. The additions to property in the year include £1,430,322 in respect of these costs.

Upon completion, the building was transferred by the local authority to Ursula Taylor Church of England School. The new building was brought into use in January 2017 and has therefore been included in these financial statements.

14. DEBTORS

	2017 £	2016 £
VAT repayable	3,976	3,986
Other debtors	3,748	-
Prepayments and accrued income	28,155	25,690
	<u>35,879</u>	<u>29,676</u>

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15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	56	-
Accruals and deferred income	70,196	70,444
	<u>70,252</u>	<u>70,444</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	39,843	43,877
Resources deferred during the year	36,807	39,843
Amounts released from previous years	(39,843)	(43,877)
Deferred income at 31 August 2017	<u>36,807</u>	<u>39,843</u>

At the balance sheet date the Academy was holding funds received in advance for the following purposes: School meals £32,630 (2016: £32,502), Capital funding £4,177 (2016: £4,210) and rates relief £nil (2016: £3,131).

16. PRIOR YEAR ADJUSTMENT

Land and buildings transferred on conversion to Academy Trust were recognised on the balance sheet of the Academy Trust at a valuation of £2,562,500 with corresponding income on conversion in restricted fixed asset funds. The buildings transferred on conversion were depreciated by £77,083 up to 31 August 2015 and by £37,000 in the year ended 31 August 2016.

The Academy Trust only occupies the property under a license from the Diocese of St Albans which delegates aspects of the management of the property to the Academy Trust for the time being but does not vest any rights over the property to the Academy Trust. Following guidance in the Academies Accounts Direction 2016 to 2017, the Academy Trust Trustees consider that the property transferred on conversion should no longer be recognised on the balance sheet of the Academy Trust.

This constitutes a change of accounting policy and a prior year adjustment has been made to reduce the net book value of land and buildings and restricted fixed asset funds by £2,485,417 and £2,448,417 at 31 August 2015 and 31 August 2016 respectively. The comparatives of expenditure in the Statement of Financial Activities for the year ended 31 August 2016 have also been restated by reducing depreciation by £37,000.

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17. STATEMENT OF FUNDS

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	143,909	86,009	(62,348)	(34,393)	-	133,177
Restricted funds						
General Annual Grant (GAG)	96	970,144	(952,425)	(15,806)	-	2,009
Other restricted funds	80,302	245,507	(261,725)	24,393	-	88,477
Pension reserve	(205,000)	-	(35,000)	-	60,000	(180,000)
	<u>(124,602)</u>	<u>1,215,651</u>	<u>(1,249,150)</u>	<u>8,587</u>	<u>60,000</u>	<u>(89,514)</u>
Restricted Fixed Asset funds						
Fixed asset funds	2,733,948	1,437,516	(43,872)	25,806	-	4,153,398
Prior year adjustment (note 16)	<u>(2,448,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,448,417)</u>
	<u>285,531</u>	<u>1,437,516</u>	<u>(43,872)</u>	<u>25,806</u>	<u>-</u>	<u>1,704,981</u>
Total restricted funds	<u>160,929</u>	<u>2,653,167</u>	<u>(1,293,022)</u>	<u>34,393</u>	<u>60,000</u>	<u>1,615,467</u>
Total of funds	<u><u>304,838</u></u>	<u><u>2,739,176</u></u>	<u><u>(1,355,370)</u></u>	<u><u>-</u></u>	<u><u>60,000</u></u>	<u><u>1,748,644</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	122,444	78,288	(56,823)	-	-	143,909
	<u>122,444</u>	<u>78,288</u>	<u>(56,823)</u>	<u>-</u>	<u>-</u>	<u>143,909</u>

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17. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	987,763	(983,050)	-	(4,617)	96
Other restricted funds	100,610	178,169	(189,329)	-	(9,148)	80,302
Pension reserve	(102,000)	-	(8,000)	-	(95,000)	(205,000)
	<u>(1,390)</u>	<u>1,165,932</u>	<u>(1,180,379)</u>	<u>-</u>	<u>(108,765)</u>	<u>(124,602)</u>

Restricted Fixed Asset funds

Fixed asset funds	2,773,601	7,197	(60,615)	-	13,765	2,733,948
Prior year adjustment (note 16)	(2,485,417)	-	37,000	-	-	(2,448,417)
	<u>288,184</u>	<u>7,197</u>	<u>(23,615)</u>	<u>-</u>	<u>13,765</u>	<u>285,531</u>
Total restricted funds	<u>286,794</u>	<u>1,173,129</u>	<u>(1,203,994)</u>	<u>-</u>	<u>(95,000)</u>	<u>160,929</u>
Total of funds	<u>409,238</u>	<u>1,251,417</u>	<u>(1,260,817)</u>	<u>-</u>	<u>(95,000)</u>	<u>304,838</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium and other Local Authority funding for which income received is used to cover costs associated with these activities.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. The fund is in deficit but given the nature of the liability this is not payable immediately. There are plans in place to meet the deficit such that there are no constraints in the Academy reserves.

The transfers between GAG, other restricted fixed funds and the restricted fixed asset funds represents transfers to meet amounts capitalised during the year amounting to £25,806. Amounts of £34,393 were transferred from unrestricted funds to restricted funds to absorb expenditure in excess of restricted income in the year.

Restricted fixed asset funds represent amounts invested in fixed assets less depreciation. £2,072 of capital grants received and not yet spent is included in the restricted fixed asset fund.

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,702,909	1,702,909
Current assets	133,177	160,738	2,072	295,987
Creditors due within one year	-	(70,252)	-	(70,252)
Pension scheme liability	-	(180,000)	-	(180,000)
	<u>133,177</u>	<u>(89,514)</u>	<u>1,704,981</u>	<u>1,748,644</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	283,459	283,459
Current assets	143,909	150,842	2,072	296,823
Creditors due within one year	-	(70,444)	-	(70,444)
Pension scheme liability	-	(205,000)	-	(205,000)
	<u>143,909</u>	<u>(124,602)</u>	<u>285,531</u>	<u>304,838</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,383,806	(9,400)
Adjustment for:		
Depreciation charges	43,872	23,615
Investment income	(20)	(14)
(Increase)/decrease in debtors	(6,203)	12,440
Decrease in creditors	(192)	(9,537)
Capital grants from DfE and other capital income	(1,437,516)	(7,198)
Defined benefit pension scheme cost less contributions payable	31,000	4,000
Defined benefit pension scheme finance cost	4,000	4,000
Net cash provided by operating activities	<u>18,747</u>	<u>17,906</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	260,108	267,147
Total	<u>260,108</u>	<u>267,147</u>

21. CONTINGENT LIABILITIES

In the previous year an issue arose in respect of the location of the badger sett which the Academy had relocated during August/September 2014. The Academy Governors are still seeking professional advice on this issue to establish if the Academy will need to relocate the badger sett. The likely cost to the Academy if the additional work is required is estimated to be £20,000. It is likely that any cost will be met by the Academy's insurers.

Based on the information currently available the Governors consider it unlikely that relocation of the sett will be required and no provision is included in these financial statements.

22. MEMBERS' LIABILITY

The Academy Trust is a company limited by guarantee and does not have share capital.

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

23. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	(11,000)	8,000
Interest on pension scheme liabilities	7,000	(12,000)
	<u>(4,000)</u>	<u>(4,000)</u>

24. PENSION COMMITMENTS

The Academy Trust'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 Bedford Borough 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.

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

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

INTRODUCTION

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £82,000 (2016 - £83,000).

NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>.

SCHEME CHANGES

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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 £76,000 (2016 - £62,000), of which employer's contributions totalled £60,000 (2016 - £48,000) and employees' contributions totalled £16,000 (2016 - £14,000). The agreed contribution rates for future years are 22.9% for employers and between 5.5 and 12.5% for employees.

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

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24. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
	Years	Years
Retiring today		
Males	22.4	22.4
Females	24.5	24.3
Retiring in 20 years		
Males	24.0	24.4
Females	26.2	26.8

	At 31 August	At 31 August
	2017	2016
	£	£
Sensitivity analysis		
Discount rate -0.5%	83,000	68,000
Mortality assumption - 1 year increase	18,000	15,000
CPI rate +0.5%	70,000	44,000

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

	Fair value at	Fair value at
	31 August	31 August
	2017	2016
	£	£
Equities	235,000	214,000
Debt instruments	62,000	28,000
Property	37,000	28,000
Cash	78,000	8,000
Total market value of assets	412,000	278,000

The actual return on scheme assets was £59,000 (2016 - £36,000).

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24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	(91,000)	(52,000)
Interest income	(11,000)	8,000
Interest cost	7,000	(12,000)
Total	<u>(95,000)</u>	<u>(56,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	483,000	282,000
Current service cost	91,000	52,000
Interest cost	11,000	12,000
Employee contributions	16,000	14,000
Actuarial (gains)/losses	(8,000)	123,000
Benefits paid	(1,000)	-
Closing defined benefit obligation	<u>592,000</u>	<u>483,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	278,000	180,000
Actuarial gains	52,000	28,000
Employer contributions	60,000	48,000
Employee contributions	16,000	14,000
Benefits paid	(1,000)	-
Return on plan assets (excluding net interest on the net defined pension liability)	7,000	8,000
Closing fair value of scheme assets	<u>412,000</u>	<u>278,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2017 £	2016 £
Closing defined benefit obligation	(592,000)	(483,000)
Closing fair value of scheme assets	412,000	278,000
Net defined benefit pension scheme liability	<u>(180,000)</u>	<u>(205,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. 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	4,890	4,890
Between 1 and 5 years	1,257	6,147
Total	<u>6,147</u>	<u>11,037</u>

All commitments above relate to assets other than land and buildings.

26. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account other than those disclosed in note 11.