

Company Registration No. 09161532 (England and Wales)

**RYHOPE INFANT SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017**

RYHOPE INFANT SCHOOL ACADEMY

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RYHOPE INFANT SCHOOL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs S Brown (Chair)
Mr A Madgin (Vice Chair) (Resigned 3 March 2017)
Ms S Boyd (Resigned 31 August 2017)
Mrs L Lawson
Mrs S M Short (Resigned 1 September 2016)
Mrs C Ray (Accounting officer) (Resigned 31 August 2017)
Mrs J Wardle
Miss S Reed (Accounting officer)
Mr C Davidge
Mrs H Hays
Ms R Leonard (Appointed 24 November 2016)
Ms A Guthrie (Appointed 20 June 2017)

Members

Mrs S Brown
Mr A Madgin (Resigned 3 March 2017)
Mrs J Belshaw
Ms S Boyd (Resigned 31 August 2017)
Mrs L Lawson
Mrs S Short (Resigned 1 September 2016)
Ms R Leonard (Appointed 24 November 2016)
Ms A Guthrie (Appointed 20 June 2017)

Senior management team

- Headteacher Mrs C Ray (Resigned 31 August 2017)
- Assistant headteacher Miss S Reed (Appointed Head 1 September 2017)

Company registration number

09161532 (England and Wales)

Registered office

Shaftsbury Avenue
Sunderland
SR2 0RT

Independent auditor

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
54 Fawcett Street
Sunderland
Tyne & Wear
SR1 1SF

RYHOPE INFANT SCHOOL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

**BHP Law LLP
Eldon Chambers
23 Quayside
Newcastle upon Tyne
Tyne & Wear
NE1 3DE**

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st August 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 7 serving a catchment area in Ryhope. It has a pupil capacity of 195 primary aged pupils plus 104 part-time Nursery places and had a roll of 174 + 71 part-time Nursery in the school census on 18th May 2017.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity (company no: 9161532). The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Ryhope Infant School Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ryhope Infant School Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1. The titles Trustee and Governor are used interchangeably throughout the report.

Members' liability

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

Trustees' indemnities

Every trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of recruitment and appointment or election of trustees

Membership is determined in accordance with the composition set out in the Memorandum and Articles of Association. This states that:

- The members may appoint up to 8 Governors;
- The members may appoint 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 Headteacher is treated as an ex officio basis.
- a minimum of two Parent Governors appointed under Articles 53- 58;
- Subject to Article 57, 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 is elected

Governors may also appoint a co-opted Governor as described in Article 59. A co-opted governor means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed.

The term of office for any Governor shall be four years, save that this time limit will 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.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Policies and procedures adopted for the induction and training of trustees

All new trustees are given an induction to the Trust on appointment and have access to training as required, depending on their existing experience. The Trust is a member of the Sunderland Governors' Association which also provides training and development programmes.

Organisational structure

The Academy's structure consist of three levels: the Trustees/Governors, the Senior Leadership Team (SLT) and the Business Manager.

The trustees are responsible for determining general policy, adopting an annual School Improvement Plan following a self-evaluation review, monitoring the practices and procedures adopted by the Academy, determining strategic direction of the academy, capital expenditure and senior staff appointments. They delegate the day to day operational management to the SLT who follow policies determined by and adopted by the trustees.

The SLT consists of the Head Teacher and Assistant Head Teacher. The SLT lead and manage the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher and Trustees are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and the Academy's Finance Handbook.

The Academy Business Manager is responsible for the management of the financial systems, sourcing additional funds, ensuring efficient and effective use of resources. The Academy Business Manager is responsible for authorisation of spending up to agreed limits as stated in the Scheme of Delegation and Finance Handbook alongside the management of some support staff, facilities staff and the efficient operation of the school office.

The Headteacher is the Accounting Officer for the Academy.

Arrangements for setting pay and remuneration of key management personnel

The rules for determining the pay of key management personnel (for the purposes of this definition this includes the Headteacher and the Assistant Headteacher who sit on the SLT) are set out in the School Teacher's Pay and Conditions Document (STPCD). Academies and free schools can set their own pay and conditions, but often choose to follow the STPCD.

The Governors for Ryhope Infant School Academy has established a pay range for the Headteacher and the Assistant Headteacher in accordance with the STPCD. On determining the appropriate pay range the Governors consider the permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations. As directed by the STPCD the pay range for the Headteacher has not exceeded the maximum of the Headteacher group.

In addition, and as directed by the STPCD the maximum of the Assistant Headteacher's pay range has not exceeded the maximum of the Headteacher group. The Headteacher group is established by a total unit score. The total unit score is determined in accordance with the number of pupils on the school register, calculated by each key stage, with a number of units assigned to each pupil, thus giving a total unit score.

Related parties and other connected charities and organisations

Trustees have declared no related parties with either control or significantly influence the decisions and operations of the academy trust. A register of business interests, where any trustees should declare an interest, is continually reviewed and is available to view on the academy's website. Should a trustee declare an interest, procedures are in place to address this. The Academy has adopted a policy that if there are any interests declared, the trustee would remove themselves from the decision making process.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

Our vision is to achieve excellence in imparting high quality education to all pupils regardless of background, ethnicity or race, and equip them with lifelong skills which support their holistic development so that they may achieve their full potential and leave this school prepared for the demands of an ever-changing society in their future.

Objectives, strategies and activities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance.

Objectives for 2016-2017 specifically are as follows and are linked to the Academy Improvement Plan:

- To secure the future of RISA as a high quality 3-7yrs Early Years Specialist Provision
- To increase participation for all children and adults in the process of self – evaluation, giving individuals a sense of ownership and direction, the ability to engage, motivate and evaluate their practice to bring about improvements for all learners.
- To build capacity in areas of expertise in order to ensure 'value for money', developing further as a provider for Training & Development with External Partners, and extending its existing partnerships.
- To ensure RISA's ethos, values and practice as an inclusive school and its commitment to high standards and quality partnership-working with a wide range of services are reflected in the Mission Statement linked to KCSIE (Sept 2016)
- To improve the quality of teaching, with a particular focus on continuity and progression, to meet individual needs in all areas of Basic Skills and so improve learning outcomes for all learners.
- To improve the quality of teaching, with a particular focus on continuity and progression, to meet individual needs in all areas of Basic Skills and so improve learning outcomes for all learners.
- To further develop teacher's knowledge and understanding of all aspects of the curriculum, including the use of Display across both Key Stages.
- To be able to gather and use evidence (Formative and Summative) to measure progress and report achievements to all stakeholders.
- To further develop the premises of Ryhope Infant School Academy, to improve access and enhance learning spaces across the whole site, in order to deliver quality provision appropriate to need, to achieve measurable outcomes for all children who attend.

Public benefit

The Academy Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising its powers and duties. The standard of education offered to all pupils is outstanding and is referenced in the following section.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

The School Improvement Priorities identified by SLT and the Governing Body and endorsed by OFSTED June 2017 are:

- System Leadership continues to be developed through a Coaching & Mentoring approach including via school to school collaboration.
- Leadership & Management priorities:
 - Leading Strategically
 - Leading Services
 - Leading People
 - Leading in the Community
- Organisational Effectiveness - Strategic Governance is embedded. The school responds positively to change, equipping all learners, within the context of life-long learning, with the necessary support and training to be responsible active partners in a holistic approach to education. The school has an appropriate staffing structure (which is regularly reviewed) to resource its high quality provision as well as the capacity to implement robust systems for monitoring and evaluation and maintain high standards of achievement.
- Teaching & Learning - as a result of well-planned CPD opportunities for staff both in-house and through work with external partners, as well as a well-designed curriculum, inclusion is embedded within the school's culture. This has enabled all children to make good or outstanding progress against their starting points and achieve outcomes which are high.
- Building Capacity - Professional development opportunities, including action research have increased practitioners' knowledge and understanding of 'Personalised Learning', which is resulting in planning being matched more closely to needs of the learner. This has enabled the school to build capacity in areas of expertise and ensure 'value for money'.
- Self-Evaluation - all learners develop new skills and knowledge as a result of evaluating their practice, prioritising 'next steps', which continues to raise expectations and standards across all areas of the school and nursery.
- Facilities Management - The facilities offered by the school continue to be enhanced to go beyond meeting statutory requirements and provide children and families in the Ryhope community with a high quality provision for children 3-7yrs.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

The Academy has continued to attain high standards and is above the national figures in all areas, demonstrating outstanding progress and attainment.

Early Years Foundation Stage - 2017

Pupils achieving a good level of development

School	National
72.1%	70.7%

Year 1 Phonics Screen 2017 Results

School	National
87%	81%

Key Stage 1 2017 Results

	Expected Standard		Greater Depth	
	School	National	School	National
Reading	78.3%	76%	31.7%	25%
Writing	85%	68%	23.3%	16%
Mathematics	91.7%	75%	20%	21%

Overall attendance is good and for the 2016-2017 academic year is 94.3%

Going concern

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

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

Most of the Academy's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31st August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives Early Years funding from the Local Authority, the use of which is restricted for particular purposes, as well as generating some additional funds through in year fundraising days, wraparound care and afterschool clubs which is included in the unrestricted funds.

During the period ending 31st August 2017 expenditure amounting to £1,237,708 was incurred or accrued, including depreciation. This was offset by grants receivable from the ESFA, the Local Authority and income from the wraparound care and afterschool clubs used to ensure this business is sustainable.

At 31st August 2017 the net book value of fixed assets was £2,001,059. The assets were used to exclusively to provide education and associated services to the pupils of the Academy.

The Academy made an operating deficit in the period to 31st August 2017 of £105 on unrestricted funds and a surplus of £12,328 on restricted general funds, before adjusting for the Local Government Pension Scheme. Fund balances held at 31st August 2017 were £1,812,070, comprising restricted reserves of £(423,076), unrestricted reserves of £227,727 and fixed asset reserves of £2,007,419.

Total income in the period was £1,211,486 of which £1,010,432 came from the ESFA revenue grants and £136,975 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high and vacancies are filled.

Reserves policy

The Trustees are responsible for determining the level of financial reserves to be carried forward at the end of any financial period. The Trustees have delegated the monitoring of potential period end reserves to the Finance and Premises (including Audit) Committee as part of their terms of reference.

The Trustees will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of General Annual Grant (GAG) income and other grants.

The Trustees will always try to match income with expenditure in the current period and will only carry forward reserves that it considers are necessary for future period's expenditure. The Trustees will consider the School Improvement Plan for capital developments required. The Trustees may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Academy aims to always have a reserve of £180k. This is approximately 2 months' expenditure including staffing salary costs and the Academy consider this to be a reasonable amount. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

At 31st August 2017, the Academy has net funds of £321,651, excluding pension reserves, comprising restricted reserves of £93,924 and unrestricted (Free) reserves of £227,727. This is currently £141,651 in excess of the targeted figure of £180k. This surplus is considered necessary to reflect the uncertainty of funding levels due to the implementation of the National Funding Formulae and to provide stability to the Academy during the transitional phase. This will continue to be monitored closely by Trustees.

The reserves policy will be reviewed annually.

Investment policy and powers

The Academy has an approved Investment Policy and if there are sufficient funds to meet all the Academy's financial commitments and surplus funds over £140k exist the Academy seeks to optimise return but ensure minimal risk. All investments will be made on a risk-averse basis, taking ethical considerations into account and need Governing Body approval.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "risk that the return on investments is not being maximised" and the "risk that trustees are not acting in accordance with the Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy)".

The Academy has no funds invested as at 31st August 2017.

Principal risks and uncertainties

The Academy maintains an ongoing risk management plan as part of the strategic planning carried out by SLT and Governors, this is reviewed regularly.

The principal risks currently facing Ryhope Infant School Academy are:

- Retirement of current Headteacher at the end of 2016/17. A strong succession plan has been completed over the last few years which ensures continuity in the Leadership of the Academy. A new Headteacher was appointed in March 2017 and will start with effect from 1st September 2017.
- Profile of staff – Some experienced staff are approaching retirement age. The Academy continues to develop the workforce through the CPD (Continuing Professional Development) plan to ensure the Academy has the ability to replace any lost skills through retirement.
- The school status as a single Academy trust – Professional working partnerships are continuing to be explored and developed with other Academy Trusts to ensure sustainability of the Academy.
- Changes to the national and local funding formulae which will impact on the school's budget – The Academy is actively watching the National and local developments surrounding funding, closely. Five year funding forecasts have been produced and are continuing to be updated as and when further details are published by the ESFA.
- Competition on the school site with a private provider offering day-care places for 3 and 4 year olds – A marketing plan has been developed and will be implemented in September 2017. This includes open day events, development of the Academy website, a mobile app and the use of social media to further promote the Academy profile within the local area.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

A new Headteacher has been appointed with effect from 01/09/2017 and school improvement priorities established for the 2017/2018 academic year whilst maintaining the highest of standards of achievement for all pupils and ensuring the school continues to move forward within a rapidly changing world.

Plans for the future include factors that mitigate against the risks to the Academy. The following have been put in place:

- Continue to build capacity for leadership at all levels – to develop future opportunities to work collaboratively across a network of schools.
- Secure leadership capacity by further developing existing collaborative partnerships to maximize opportunities, whilst reducing costs, within the school-led system.
- The development of a marketing strategy including the improved use of social media (Facebook and an App) to ensure that parents in the locality are fully aware of the services that the school can provide.
- Further strengthening the Governing body by inducting new Trustees in September 2017 whilst also attracting new Governors with a wide variety of skills and experience, to further support the Academy.

The school is also aware of a number of proposed housing developments near to the Academy which would increase our pupil numbers. The Academy pre-empted this by submitting a deed of variation to the Secretary of State for Education in 2016, to increase our PAN from 60 to 65 (per year group), which was accepted.

Funds held as custodian trustee on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity organisation.

Auditor

Insofar as the trustees are aware:

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

A resolution proposing Baldwin Accountants be re-appointed as auditor of the charitable company, will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 05 December 2017 and signed on its behalf by:

Mrs S Brown
Chair



RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Brown (Chair)	8	8
Mr A Madgin (Vice Chair) (Resigned 3 March 2017)	4	4
Ms S Boyd (Resigned 31 August 2017)	0	1
Mrs L Lawson	5	6
Mrs S M Short (Resigned 1 September 2016)	0	0
Mrs C Ray (Accounting officer) (Resigned 31 August 2017)	7	7
Mrs J Wardle	3	3
Miss S Reed (Accounting officer)	7	7
Mr C Davidge	3	3
Mrs H Hays	3	3
Ms R Leonard (Appointed 24 November 2016)	1	1
Ms A Guthrie (Appointed 20 June 2017)	0	0

Following a review of governance, the governors developed and agreed a Code of Practice in January 2016. This sets out the expectations on and commitment required from governors in order for the governing body to properly carry out its work within the school and the community.

During the aforementioned review, a skills audit was also carried out (January 2016). The response from this shows there are a wide range of skills within the existing governing body. Two areas were identified which need further development (legal and accountancy) however, independent SLAs are currently bought in to close this gap. Skills will be considered when reviewing and appointing Link Governors and committees.

Due to changes in the Governing Body, including the sudden death of the Vice Chair who was a longstanding Member and Trustee, a further review planned for 2016-2017 was postponed until 2017-2018, when the current membership can be reviewed and a plan implemented to close any gaps.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The **finance and premises (including audit) committee** is a sub-committee of the main board of trustees. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding sustainable provision. The remit of the committee includes but is not limited to:

- Approve the first formal budget plan
- Regularly monitor the progress of the budget using financial information supplied by the school
- Approval of purchases as set out in the Terms of Reference
- Review of effectiveness of financial and other controls
- Review of risk management procedures and risk register

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Brown (Chair)	2	2
Mr A Madgin (Vice Chair) (Resigned 3 March 2017)	1	1
Mrs C Ray (Accounting officer) (Resigned 31 August 2017)	2	2

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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring that the Trust keeps up-to-date with all EFA developments and constantly explores opportunities for generating additional income and applies for all appropriate grant funding available.
- Reviewing all contracts to ensure they are fit for purpose and best value for the School. Plans are in place to move certain contracts when current ones expire to save costs and improve the quality of service the Trust receives.
- Tracking and monitoring systems recording all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- Maximising the facilities in order to improving Health & Wellbeing for all learners in the school community.
- Scrutinising staff turnover to provide cost savings where appropriate.
- Actively seeking best value when procuring goods and services, using government procured contracts where appropriate.
- Benchmarking financial performance against others in the area to ensure the Trust is providing Value for Money.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ryhope Infant School Academy for the period 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2016 to 31st August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed Baldwins Accountants, the external auditor, to perform additional checks during the internal assurance inspections. In particular the checks carried out in the current period included:

- Testing of payroll functions
- Testing of accounts and bank reconciliations
- Testing of purchasing systems
- Testing of corporate governance
- Review of monthly creditor/debtor listings
- Examination of risk register and the process for managing risk

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

On a termly basis, the internal assurance officer reports to the board of trustees, through the finance and premises (including audit) committee on the operation of the systems control and on the discharge of the board of trustees' financial responsibilities.

The trustees confirm that the internal assurance reviews have fully delivered with the ESFA requirements and that there have been no material control issues arising as a result of any internal assurance work during the year.

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 internal assurance inspections
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Senior Leadership Team 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 and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 05 December 2017 and signed on its behalf by:



Mrs S Brown
Chair



Miss S Reed
Accounting officer

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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



Miss S Reed
Accounting Officer

05 December 2017

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Ryhope Infant School Academy and are also the directors of Ryhope Infant School Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

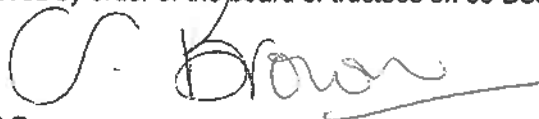
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 05 December 2017 and signed on its behalf by:



Mrs S Brown
Chair

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYHOPE INFANT SCHOOL ACADEMY

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYHOPE INFANT SCHOOL ACADEMY (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

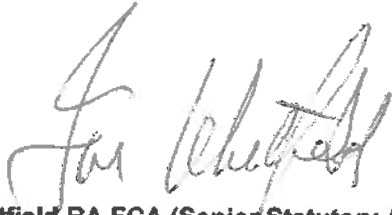
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 accounts.

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

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

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYHOPE INFANT SCHOOL ACADEMY (CONTINUED)



Ian Whitfield BA FCA (Senior Statutory Auditor)
for and on behalf of **Baldwins Audit Services Limited**

05 December 2017

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RYHOPE INFANT SCHOOL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 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 Ryhope Infant School Academy during the period 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 Ryhope Infant School Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Ryhope Infant School Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ryhope Infant School Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ryhope Infant School Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ryhope Infant School Academy's funding agreement with the Secretary of State for Education 1 September 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RYHOPE INFANT SCHOOL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

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



Reporting Accountant
Baldwins Audit Services Limited

Dated: 05 December 2017

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	-	9,640	6,360	16,000	6,448
Charitable activities:						
- Funding for educational operations	3	9,326	1,147,407	-	1,156,733	1,149,370
Other trading activities	4	38,525	-	-	38,525	35,358
Investments	5	228	-	-	228	342
Total income and endowments		48,079	1,157,047	6,360	1,211,486	1,191,518
Expenditure on:						
Raising funds	6	48,184	-	-	48,184	12,126
Charitable activities:						
- Educational operations	7	-	1,144,719	44,805	1,189,524	1,219,931
Total expenditure	6	48,184	1,144,719	44,805	1,237,708	1,232,057
Net income/(expenditure)		(105)	12,328	(38,445)	(26,222)	(40,539)
Transfers between funds		-	(1,950)	1,950	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	370,000	-	370,000	(491,000)
Net movement in funds		(105)	380,378	(36,495)	343,778	(531,539)
Reconciliation of funds						
Total funds brought forward		227,832	(803,454)	2,043,914	1,468,292	1,999,831
Total funds carried forward		227,727	(423,076)	2,007,419	1,812,070	1,468,292

RYHOPE INFANT SCHOOL ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	-	-	6,448	6,448
Charitable activities:					
- Funding for educational operations	3	5,240	1,144,130	-	1,149,370
Other trading activities	4	35,358	-	-	35,358
Investments	5	342	-	-	342
Total income and endowments		<u>40,940</u>	<u>1,144,130</u>	<u>6,448</u>	<u>1,191,518</u>
Expenditure on:					
Raising funds	6	12,126	-	-	12,126
Charitable activities:					
- Educational operations	7	1,963	1,160,439	57,529	1,219,931
Total expenditure	6	<u>14,089</u>	<u>1,160,439</u>	<u>57,529</u>	<u>1,232,057</u>
Net income/(expenditure)		26,851	(16,309)	(51,081)	(40,539)
Transfers between funds		-	3,498	(3,498)	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	17	-	(491,000)	-	(491,000)
Net movement in funds		26,851	(503,811)	(54,579)	(531,539)
Reconciliation of funds					
Total funds brought forward		<u>200,981</u>	<u>(299,643)</u>	<u>2,098,493</u>	<u>1,999,831</u>
Total funds carried forward		<u>227,832</u>	<u>(803,454)</u>	<u>2,043,914</u>	<u>1,468,292</u>

RYHOPE INFANT SCHOOL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,001,059		2,043,914
Current assets					
Debtors	12	36,370		50,206	
Cash at bank and in hand		400,149		328,737	
		<u>436,519</u>		<u>378,943</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(108,508)		(120,565)	
Net current assets			328,011		258,378
Net assets excluding pension liability			<u>2,329,070</u>		<u>2,302,292</u>
Defined benefit pension liability	17		(517,000)		(834,000)
Net assets			<u>1,812,070</u>		<u>1,468,292</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			2,007,419		2,043,914
- Restricted income funds			93,924		30,546
- Pension reserve			(517,000)		(834,000)
Total restricted funds			<u>1,584,343</u>		<u>1,240,460</u>
Unrestricted income funds	15		227,727		227,832
Total funds			<u>1,812,070</u>		<u>1,468,292</u>

The accounts set out on pages 22 to 42 were approved by the board of trustees and authorised for issue on 05 December 2017 and are signed on its behalf by:

Mrs S Brown
Chair



Company Number 09161532

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		66,774		2,907
Cash flows from investing activities					
Dividends, interest and rents from investments		228		342	
Capital grants from DfE and EFA		6,360		6,448	
Payments to acquire tangible fixed assets		(1,950)		(2,950)	
			4,638		3,840
Change in cash and cash equivalents in the reporting period					
			71,412		6,747
Cash and cash equivalents at 1 September 2016					
			328,737		321,990
Cash and cash equivalents at 31 August 2017					
			400,149		328,737

RYHOPE INFANT SCHOOL ACADEMY

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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts 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.

Ryhope Infant School Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Buildings	2%
Computer equipment	33% - 50%
Fixtures, fittings and equipment	25%

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, 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 are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Donations and capital grants	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	6,360	6,360	6,448
Other donations	-	9,640	9,640	-
	-	16,000	16,000	6,448
3 Funding for the academy trust's educational operations				
	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	848,742	848,742	823,306
Other DfE / ESFA grants	-	161,690	161,690	155,063
	-	1,010,432	1,010,432	978,369
Other government grants				
Local authority grants	-	136,975	136,975	165,761
Other funds				
Catering income	2,815	-	2,815	1,963
Other incoming resources	6,511	-	6,511	3,277
	9,326	-	9,326	5,240
Total funding	9,326	1,147,407	1,156,733	1,149,370
4 Other trading activities				
	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Fundraising	6,375	-	6,375	7,799
Catering income	17	-	17	3
Uniforms	5,279	-	5,279	4,726
Educational visits	1,621	-	1,621	1,237
Breakfast and after school clubs	20,323	-	20,323	10,510
Other income	4,910	-	4,910	11,083
	38,525	-	38,525	35,358

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Investment income	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	228	-	228	342

6 Expenditure	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	28,585	-	19,599	48,184	12,126
Academy's educational operations					
- Direct costs	677,565	-	44,409	721,974	783,407
- Allocated support costs	256,082	82,937	128,531	467,550	436,524
	<u>962,232</u>	<u>82,937</u>	<u>192,539</u>	<u>1,237,708</u>	<u>1,232,057</u>

Net income/(expenditure) for the year includes:	2017 £	2016 £
Fees payable to auditor for:		
- Audit	6,000	6,000
- Other services	8,862	5,464
Operating lease rentals	1,108	745
Depreciation of tangible fixed assets	44,805	57,529
Net interest on defined benefit pension liability	16,000	11,000
	<u>77,575</u>	<u>136,738</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities

	2017	2016
	£	£
All from restricted funds:		
Direct costs - educational operations	721,974	783,407
Support costs - educational operations	467,550	436,524
	<u>1,189,524</u>	<u>1,219,931</u>

	2017	2016
	£	£
Analysis of support costs		
Support staff costs	256,082	197,937
Depreciation and amortisation	44,805	57,529
Premises costs	32,289	50,819
Other support costs	108,358	104,450
Governance costs	26,016	25,789
	<u>467,550</u>	<u>436,524</u>

8 Staff costs

	2017	2016
	£	£
Wages and salaries	692,395	738,078
Social security costs	56,068	55,619
Operating costs of defined benefit pension schemes	177,910	135,108
	<u>926,373</u>	<u>928,805</u>
Staff costs	926,373	928,805
Supply staff costs	34,875	-
Staff development and other staff costs	984	6,162
	<u>962,232</u>	<u>934,967</u>

Staff numbers

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

	2017	2016
	Number	Number
Teachers	22	24
Administration and support	15	15
Management	2	2
	<u>39</u>	<u>41</u>

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

(Continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £130,054 (2016: £109,819).

9 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

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

C Ray (Headteacher and trustee):	
Remuneration	£50,001 - £55,000 (2016: £45,001 - £50,000)
Employer's pension contributions	£5,001 - £10,000 (2016: £5,001 - £10,000)
S Reed (Staff trustee):	
Remuneration	£45,001 - £50,000 (2016: £45,001 - £50,000)
Employer's pension contributions	£5,001 - £10,000 (2016: £5,001 - £10,000)
J Wardle (Staff trustee):	
Remuneration	£15,001 - £20,000 (2016: £15,001 - £20,000)
Employer's pension contributions	£0,001 - £5,000 (2016: £0,001 - £5,000)

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the Risk Protection Arrangement.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Tangible fixed assets

	Buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	2,117,734	29,698	5,784	2,153,216
Additions	-	1,950	-	1,950
At 31 August 2017	2,117,734	31,648	5,784	2,155,166
Depreciation				
At 1 September 2016	79,294	28,224	1,784	109,302
Charge for the year	41,235	2,124	1,446	44,805
At 31 August 2017	120,529	30,348	3,230	154,107
Net book value				
At 31 August 2017	1,997,205	1,300	2,554	2,001,059
At 31 August 2016	2,038,440	1,474	4,000	2,043,914

Leasehold land and buildings were valued on a depreciated replacement cost basis as at 31 March 2015 by Mouchel on behalf of the Education Funding Agency.

12 Debtors

	2017	2016
	£	£
Trade debtors	-	1,986
VAT recoverable	4,470	12,011
Prepayments and accrued income	31,900	36,209
	36,370	50,206

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	28,521	45,918
Other taxation and social security	13,596	14,535
Other creditors	16,193	15,470
Accruals and deferred income	50,198	44,642
	108,508	120,565

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year	34,088	31,922
	Deferred income at 1 September 2016	31,922	31,427
	Released from previous years	(31,922)	(31,427)
	Amounts deferred in the year	34,088	31,922
	Deferred income at 31 August 2017	34,088	31,922

Deferred income includes Universal Infants' Free School Meals and rates funding for the following academic year.

15	Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
	Restricted general funds					
	General Annual Grant	3,582	848,742	(776,742)	(1,950)	73,632
	Other DfE / ESFA grants	-	161,690	(168,362)	-	(6,672)
	Other government grants	26,964	136,975	(136,975)	-	26,964
	Other restricted funds	-	9,640	(9,640)	-	-
	Funds excluding pensions	30,546	1,157,047	(1,091,719)	(1,950)	93,924
	Pension reserve	(834,000)	-	(53,000)	370,000	(517,000)
		(803,454)	1,157,047	(1,144,719)	368,050	(423,076)
	Restricted fixed asset funds					
	Transferred on conversion	1,882,882	-	(39,180)	-	1,843,702
	DfE / ESFA capital grants	1,030	6,360	(1,030)	-	6,360
	Capital expenditure from GAG	160,002	-	(4,595)	1,950	157,357
		2,043,914	6,360	(44,805)	1,950	2,007,419
	Total restricted funds	1,240,460	1,163,407	(1,189,524)	370,000	1,584,343
	Unrestricted funds					
	General funds	227,832	48,079	(48,184)	-	227,727
	Total funds	1,468,292	1,211,486	(1,237,708)	370,000	1,812,070

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

(Continued)

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

General Annual Grant 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.

Other DfE/ESFA grants includes sports and PE grant, free school meals grant and pupil premium.

Other government grants include early years funding and other income from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent Devolved Formula Capital receivable during the period which has been carried forward to cover future ICT projects.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £321,651 at 31 August 2017.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds (Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	37,357	823,306	(860,579)	3,498	3,582
Other DfE / ESFA grants	-	155,063	(155,063)	-	-
Other government grants	-	165,761	(138,797)	-	26,964
	<u>37,357</u>	<u>1,144,130</u>	<u>(1,154,439)</u>	<u>3,498</u>	<u>30,546</u>
Funds excluding pensions	37,357	1,144,130	(1,154,439)	3,498	30,546
Pension reserve	(337,000)	-	(6,000)	(491,000)	(834,000)
	<u>(299,643)</u>	<u>1,144,130</u>	<u>(1,160,439)</u>	<u>(487,502)</u>	<u>(803,454)</u>
Restricted fixed asset funds					
Transferred on conversion	1,926,835	-	(43,953)	-	1,882,882
DfE / ESFA capital grants	7,339	6,448	(6,309)	(6,448)	1,030
Capital expenditure from GAG	164,319	-	(7,267)	2,950	160,002
	<u>2,098,493</u>	<u>6,448</u>	<u>(57,529)</u>	<u>(3,498)</u>	<u>2,043,914</u>
Total restricted funds	<u>1,798,850</u>	<u>1,150,578</u>	<u>(1,217,968)</u>	<u>(491,000)</u>	<u>1,240,460</u>
Unrestricted funds					
General funds	200,981	40,940	(14,089)	-	227,832
	<u>200,981</u>	<u>40,940</u>	<u>(14,089)</u>	<u>-</u>	<u>227,832</u>
Total funds	<u>1,999,831</u>	<u>1,191,518</u>	<u>(1,232,057)</u>	<u>(491,000)</u>	<u>1,468,292</u>

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	2,001,059	2,001,059
Current assets	227,727	202,432	6,360	436,519
Creditors falling due within one year	-	(108,508)	-	(108,508)
Defined benefit pension liability	-	(517,000)	-	(517,000)
	<u>227,727</u>	<u>(423,076)</u>	<u>2,007,419</u>	<u>1,812,070</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,043,914	2,043,914
Current assets	229,135	149,808	-	378,943
Creditors falling due within one year	(1,303)	(119,262)	-	(120,565)
Defined benefit pension liability	-	(834,000)	-	(834,000)
	<u>227,832</u>	<u>(803,454)</u>	<u>2,043,914</u>	<u>1,468,292</u>

17 Pensions and similar obligations

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

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

Contributions amounting to £15,441 (2016: £15,413) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £65,132 (2016: £77,960).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.2% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £76,000 (2016: £64,000).

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

Total contributions made	2017 £	2016 £
Employer's contributions	70,000	62,000
Employees' contributions	15,000	14,000
Total contributions	85,000	76,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.6	3.5
Rate of increase for pensions in payment	2.1	2.0
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.1	2.0

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.8	23.2
- Females	26.3	24.8
Retiring in 20 years		
- Males	25.0	25.3
- Females	28.6	27.1

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

	2017 £	2016 £
Discount rate + 0.1%	1,795,000	1,885,000
Discount rate - 0.1%	1,866,000	1,961,000
Mortality assumption + 1 year	1,775,000	1,860,000
Mortality assumption - 1 year	1,885,000	1,987,000
CPI rate + 0.1%	1,851,000	1,944,000
CPI rate - 0.1%	1,809,000	1,902,000

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

	2017 Fair value £	2016 Fair value £
Equities	867,893	722,007
Government bonds	51,207	41,382
Corporate bonds	150,995	125,235
Cash	51,207	32,670
Property	118,170	108,900
Other assets	73,528	58,806
Total market value of assets	1,313,000	1,089,000
Actual return on scheme assets - gain/(loss)	141,000	162,000

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations	(Continued)	
Amounts recognised in the statement of financial activities	2017	2016
	£	£
Current service cost	107,000	57,000
Interest income	(23,000)	(34,000)
Interest cost	39,000	45,000
Total operating charge	123,000	68,000
Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations at 1 September 2016	1,923,000	1,189,000
Current service cost	107,000	57,000
Interest cost	39,000	45,000
Employee contributions	15,000	14,000
Actuarial (gain)/loss	(252,000)	619,000
Benefits paid	(2,000)	(1,000)
At 31 August 2017	1,830,000	1,923,000
Changes in the fair value of the academy trust's share of scheme assets	2017	2016
	£	£
Assets at 1 September 2016	1,089,000	852,000
Interest income	23,000	34,000
Actuarial gain	118,000	128,000
Employer contributions	70,000	62,000
Employee contributions	15,000	14,000
Benefits paid	(2,000)	(1,000)
At 31 August 2017	1,313,000	1,089,000

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Reconciliation of net expenditure to net cash flows from operating activities	2017	2016
	£	£
Net expenditure for the reporting period	(26,222)	(40,539)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(6,360)	(6,448)
Investment income receivable	(228)	(342)
Defined benefit pension costs less contributions payable	37,000	(5,000)
Defined benefit pension net finance cost	16,000	11,000
Depreciation of tangible fixed assets	44,805	57,529
Decrease in debtors	13,836	27,722
(Decrease) in creditors	(12,057)	(41,015)
Net cash provided by operating activities	<u>66,774</u>	<u>2,907</u>

19 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees 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.

20 Members' liability

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