

Registered number: 08188239 (England and Wales)

OUTWOODS EDGE PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

OUTWOODS EDGE PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Rachel Phillips David Round (resigned 4 July 2016) Bobby Peach Barry Bookham (appointed 23 September 2016) Emma Moore (appointed 23 September 2016)
Trustees	Emma Moore, Chair of Trustees Barry Bookham ^{1,2} Bernard Fowler ¹ Emma Jeffries (resigned 26 September 2015) Paula Longley (resigned 10 March 2016) ¹ Mark Maksymiw, Head Teacher and Accountable Officer ¹ Bobby Peach ² Rachel Phillips ² Julie Ralph Nikki Ranzetta David Round (resigned 4 July 2016) ¹ Debbie Tack Claire Wilson Joe Roughton (appointed 10 March 2016) Katie Masters (appointed 10 March 2016) Nicola Miles (appointed 26 November 2015)
	¹ Finance Committee ² Audit committee
Company registered number	08188239
Company name	Outwoods Edge Primary School
Principal and registered office	Redwood Road Loughborough LE11 2LD
Company secretary	Mary Jones
Senior management team	Mark Maksymiw, Headteacher Claire Wilson, Deputy Headteacher Mary Jones, Business manager
Independent auditors	Clear & Lane Limited Chartered Accountants Statutory Auditors 340 Melton Road Leicester LE4 7SL
Bankers	Lloyds Bank Plc 37-38 High Street Loughborough LE11 2QG

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Solicitors	Leicestershire County Council County Hall Glenfield Leicester LE3 8RF
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OUTWOODS EDGE PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates as an Academy for pupils aged 4 to 11 serving a catchment area of Loughborough. It has a pupil capacity of 406 and had a roll of 407 on the school census at May 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Outwoods Edge Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Outwoods Edge 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.

Trustees' indemnities

In accordance with normal practice the Academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £3 million and in the period under review the sum of £497 inclusive of tax was paid.

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

Method of recruitment and appointment or election of Trustees

The articles outline the different types of governor, each category has slightly differing election processes, as outlined below:

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post which is held Ex Officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The Members may appoint up to 3 Trustees. The Members are Rachel Philips, Bobby Peach, David Round, Barry Bookham and Emma Moore. The appointment is by means of a signed resolution.

The Board of Trustees may appoint up to 3 Community Trustees, by majority vote at a meeting of the full Board of Trustees.

A minimum of 3, and up to 5, Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

The Headteacher and Deputy Headteacher are Trustees Ex Officio.

Up to 2 Staff Trustees shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher and Deputy Headteacher). If a Staff Trustee ceases to work at the Academy then he or she shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of his or her work at the Academy. Any election of a Staff Trustee which is contested shall be decided by secret ballot.

The Trustees may appoint up to 3 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

Trustees are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students.

In the course of the first year, all governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governor. As there are normally few new governors a year, induction tends to be done informally and is tailored specifically to the individual.

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

Organisational structure

The structure of the Academy consists of two senior levels: the Board of Trustees (Governing Body) and the Headteacher leading the Senior Leadership Team which includes the Deputy Headteachers and the school Business Manager. The Leadership Team is supported by four Phase Leaders who coordinate the ongoing work of the foundation stage, key stage 1 and lower and upper key stage 2.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continuous improvement and excellence.

The Board of Trustees is responsible for setting the Academy's policies, adopting the School Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, staffing and the achievement and welfare of students.

The Headteacher and Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

The Board of Trustees has established five sub-committees. Each sub-committee has its own terms of reference detailing their responsibilities. A Trustees' decision planner sets out the scheme of delegation, showing what responsibilities are devolved to each sub-committee, to the Headteacher (the Accounting Officer) and to the Senior Leadership Team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Trustees annually. The Academy has an approved Financial Handbook which details the School's authorised spending limits.

The sub-committees of the Board of Trustees are:

- Finance Committee
- Strategy Committee
- Pupils Committee
- Resources Committee (including staffing)
- Audit Committee
- Pay Committee
- Appeals Committee

Arrangements for setting pay and remuneration of key management personnel

The statutory requirements for teachers' pay and conditions for maintained schools in England and Wales are set out in the School teachers' pay and conditions 2015 produced by the Department for Education, and Outwoods Edge Primary School abides by these. The Education Act 2002 (the Act) gives the Secretary of State power to issue guidance on pay and conditions matters, to which those concerned must have regard.

The Board of Trustees has adopted a policy that sets out the basis on which it determines teachers' pay and the date by which it will determine teachers' annual pay reviews.

When determining the remuneration of a teacher, the Academy has regard to its pay policy and to the teacher's particular post within its staffing structure.

The pay policy is linked to the appraisal policy. Pay and appraisal policies are reviewed annually and kept up to date to take account of any uplift to the national framework and any legal changes or changes in the staffing structure which have an impact on discretionary pay decisions. Teachers and representatives of recognised unions are consulted on formulating the policies and on any changes to them. Copies of the pay policy are readily available within the school.

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

Related Parties and other Connected Charities and Organisations

1. Outwoods Edge Primary School is part of a collaborative working group known as Loughborough Primary Academy Partnership. The partnership has a charter which provides a framework for working together.

The Members will at all times work for the best education for all the children within the Academy Partnership through the adoption and development of supportive and collaborative working principles between the Members.

In 2015-16 the group has worked together in the following ways:

- One of the most successful collaborative activities has been the quality assurance work undertaken by LPAP. The nine Headteachers work in three groups of three schools (triads) to monitor and evaluate each other's work. This has extended to year group meetings across the three schools in each triad to enable teachers to moderate their assessments and marking.
 - More able children from each school have participated in the RISE project.
 - The success of the Headteachers' group has been mirrored by other groups of staff, including Deputy Heads, Business Managers, Site Managers, Foundation Stage Staff and Subject Co-ordinators, who have all benefited from professional conversations and the ability to support and challenge their colleagues in other schools.
2. Outwoods Edge Primary School works together with parents to provide children with resources and experiences that will enrich their education and enjoyment of learning. The Friends of Outwoods Edge is a charitable group who organise events and fund-raising opportunities for the school community. In 2015-16 these included; autumn and summer fairs and storytelling events as well as discos. In addition the Friends Group supported school events by providing refreshments for those attending. They funded a visit from the Star Dome for the Foundation children and the Life Bus, Spy Mission event, a visit from the Vikings, as well as a whole school trip to the cinema at Christmas. They also contributed £100 to each year group for the purchase of topic related books for their libraries and funded an author visit to the school, giving the children a valuable insight into writing fiction books
 3. The land and school buildings are leased from Leicestershire County Council. The school therefore has an on-going relationship with the Local Authority. Outwoods Edge also purchases services from the Local Authority including payroll, Health and Safety, Admissions and Audit Services.

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

OBJECTIVES AND ACTIVITIES

Objects and aims

Every Child, Every Day, Every Future

The school's ethos and values are encapsulated in the key phrase that accompanies our new logo. The strapline encapsulates three features of the school that informs the way we work with the children and school family. Firstly, Outwoods Edge serves a diverse community and we recognise that children come to school with different needs, experiences and expectations. Therefore every day in school is important to ensure that all children develop a love of learning and a belief in themselves that they can succeed. Finally, one of our key goals is to ensure that children are equipped to continue this success at secondary school and that they develop the ambition and drive to aim high when they look to the future.

The School Strategy 2015-2020

Learning Environment

By using resources both from within and outside the school, Outwoods Edge aims to maintain a Learning Environment that is safe and promotes learning. Staff will be encouraged to use the available space in a flexible and imaginative way. The academy and grounds will be well maintained with up to date equipment and resources. There will be a particular emphasis on ICT. This will enable children to develop skills fit for living and working in Britain in the 21st Century.

Teaching & Learning

Children will be inspired by their lessons at Outwoods Edge. Outstanding teaching will engage all children. The lessons will form a broad and balanced curriculum, one that utilises the school's environment and opportunities for learning further afield. Children will master the key skills set out in the National Curriculum but also develop the knowledge and understanding to flourish in modern day Britain. Teachers will always strive to engage everyone so that each child makes outstanding progress with their learning.

Financial Management

Through sound financial management, Outwoods Edge seeks to maximize the resources available to its children and staff, and support the whole learning environment, whilst ensuring the long-term stability of the academy. We seek to strike a balance between meeting the immediate needs of the children, with the investments required to improve the facilities and equipment available in the longer-term, and we continually look for efficiencies which will allow the release of further funds to support the development plan. It is our 5-year goal to ensure that the academy continues to ring-fence an amount equal to the school's reserves policy (currently £80,000), and that all other funds are spent (or committed) in the support of the development plan.

Community

At Outwoods Edge, our children & staff are a valued part of the local community. Children, parents and staff participate in community activities, whether for the benefit of the school or for the benefit of other organisations. When children are out in the community, they represent our academy well and are often praised for their behaviour by members of the community. School trips often make use of the local area and they enhance the learning experience of the children. They provide a valuable insight into the community that is around the children.

Staffing

At Outwoods Edge we will employ the best staff to meet the needs of the children and the school. Those who work here can look forward to a comprehensive professional development programme to enable them to plan and deliver outstanding learning opportunities for the children. Outstanding practice will be identified and shared across the school and with our partner schools in the LPAP group. All staff will be encouraged to evaluate the contribution they can make to the ongoing success of Outwoods Edge where innovation and creativity is welcomed.

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

Wellbeing

At Outwoods Edge we work to encourage the well-being of all pupils. Taking well-being as an approach to support physical, emotional and educational development, we will use appropriate strategies widely in school, as well as individual interventions where necessary, to help provide the best start to life for every child. We will ensure that school is a safe, supportive and secure environment with opportunities for children to learn about keeping themselves healthy.

Objectives, strategies and activities

School Improvement

There were four areas for development in 2015/16; Assessment, Food Technology, Computing and Talk for Writing.

Assessment

The new assessment programme has been operating throughout the year, using Target Tracker software, along with the other LPAP schools. It was the first year of the introduction of new Statutory Assessment Tests.

Staff have worked collaboratively across the school to implement an assessment framework, for example in order to understand the new statutory assessment methods, Year 6 teachers led a session for all staff. Year 4 staff developed a test to assess whether pupils had grasped different concepts, which was shared throughout the school.

New test programmes for maths and reading were purchased, and the Topic Report Cards, which are used to report on the foundation subjects, was reviewed.

2015/16 was a steep learning curve regarding assessment and this will continue to be a priority next year.

Food Technology

A very successful food fair took place in the autumn term, when all children had the opportunity to prepare dishes to share with parents. Along with the purchase of additional equipment, this did much to raise the profile of food technology within the school.

The teaching and catering staff have worked together to achieve the bronze award from the Food for Life Partnership

Computing

One of the changes brought in by the new curriculum was a greater emphasis on computing. The school invested in this by purchasing computers that could be used in the classroom, and employing an IT technician who could trouble shoot the equipment, to ensure the lessons were successful, but also to enhance the level of computing skills taught. This culminated in the formation of a coding club, when children learnt how to make a computer.

Talk for Writing

Building on the introduction of Talk for Writing in the previous year, 2015/16 saw the implementation of an ambitious plan to embed good practice throughout the school. The original plan was extended, as targets have been met early.

The school have shown great dedication to rolling out the programme across all years. Emphasis on producing a clear plan, implementing that plan, mentoring staff, monitoring progress and identifying and addressing any issues have built a strong foundation for success.

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

Public benefit

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit.

The academy's public benefit is enshrined in its charitable objects, which state:

- To 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, offering a broad curriculum: and
- To promote for the benefit of the inhabitants of Loughborough and the surrounding area the provision of facilities for recreational or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the inhabitants.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key performance indicators

Key Stage Results 2016

Foundation Stage	Good Level of Development 70.2% (national GLD 2015 66.3%)	
Key Stage 1	% of children reaching the expected standard or working at a Greater Depth	
Reading	Writing	Mathematics
70%	71%	70%

Key Stage 2	% of children reaching the expected standard or working at a Greater Depth (national in brackets)		
Reading	Writing	Mathematics	Grammar, Spelling and Punctuation
54% (66%)	64% (70%)	66% (70%)	71% (72%)

Ofsted Inspection Outcome

The school was inspected on 30 June 2016 and was judged as good.

Attendance Data

Academic year 2013-14	96% present
Academic year 2014-15	96.8% present
Academic year 2015-16	96.3%

Going concern

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

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

FINANCIAL REVIEW

Financial review

The academy had a net increase in funds for the year ended 31 August 2016 of £36,811 including fixed assets movements. As at 31 August 2016 the academy held £171,208 of unrestricted reserves plus £169,054 of unspent (non-fixed asset) restricted funds. The academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £340,262.

The academy trust had a pension deficit on their Local Government Pension Scheme of £878,000 at 31 August 2016 and a fixed asset reserve of £3,034,610 being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The principle financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the academy are the General Annual Grant (GAG) and other EFA/DfE grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the academy trust, subject to any remaining reserves.

The academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

Reserves policy

The trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately £80,000.

Actual free reserves plus unspent GAG as at 31 August 2016 were £305,110 being approximately £225,110 higher than the target level set by the trustees. The Trustees intend to bring the reserves back into line with target by completing the school extension by December 2016, by improvements to existing classrooms and additional ICT and Foundation Stage equipment. The academy also held other available restricted funds at the year end of the year of £30,091 of Pupil Premium and PE Sports grant of £5,061. Total available reserves, being the three above figures, at 31 August 2016 were £340,262. Cash at bank at 31 August 2016 was £145,391 higher than total available reserves due principally to PAYE/NI and pension costs for August 2016 being paid in September 2016 Universal Infant Free school meals income received in advance of 2016/17 and unpaid building works costs at the year end.

At 31 August 2016 the academy's fixed asset reserve of £3,034,610 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £878,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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

Investments policy

At Outwoods Edge there are from time to time surplus funds which are not needed for immediate cash flow purposes. In order to make best use of available resources to maximise income, the governors will seek to meet the following objectives:

- Manage cash flow in order to balance investment and immediate income requirements enabling the Academy to carry out its purposes effectively in the short term.
- Income from investments is to be used for furthering the Academy's aims.
- Ensure that the Academy is only exposed to low risk investments.
- That the institutions used for investments are companies authorised by the PRA (Prudential Regulation Authority).
- The investments are to be managed by the Finance Committee, with responsibility delegated to the Headteacher.

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

Principal risks and uncertainties

The Committee Chairs undertake a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Committee Chairs will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

A risk register, covering low, medium and high level risks, is maintained at academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The Academy's approach to risk management is supported by the skills within the Board of Trustees and the school. Key areas of operational risk are subject to training programmes for relevant staff. In addition, risk is included in the consideration of any proposed changes to physical and operational conditions.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. Pupil Numbers: the demand for places at the Academy is key to the ongoing success of Outwoods Edge. The Academy endeavours to ensure that parents want to send their children to Outwoods Edge by:
 - Investing in the school resources - both people and physical, to ensure that the education provided is high quality;
 - Regularly reviewing the School Development Plan to ensure that the school is focussing on the right areas for improvement; and
 - Maintaining good inspection outcomes.

2. Funding and financial management: the Academy acknowledges that the Academy programme and funding is an area of government policy that is outside its control, however, maintaining appropriate control of the funds provided is central to delivering the best value for all groups of pupils. This is achieved by:
 - Appropriate controls for financial transactions within school;
 - Regular reporting of financial matters and reviewing these against the plans agreed;
 - Robust budget planning processes, including contingencies.

3. The consequences of a breach of regulatory requirements: as an Academy, Outwoods Edge is responsible for areas of its operation that was previously an Local Authority responsibility. To ensure that all areas of compliance are adequately addressed the Academy has:
 - Employed appropriate external expertise to provide services and support in key areas;
 - Increased internal knowledge and resources as appropriate; and
 - Regularly reviewing changes in the external environment that may affect the regulatory and other statutory obligations of the academy.

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

At 31 August 2016 the pension deficit on the Local Government Pension Scheme stood at £878,000. The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

PLANS FOR FUTURE PERIODS

Future developments

The following five priorities have been identified for 2016/17. They are the key areas of work for the school for the forthcoming year. They fit into the Strategic Plan in the following ways

STRATEGY STRAND- Staffing:

Developing reflective practice

In order to improve outcomes for children, teachers need to ensure that their teaching is effective. If teachers can reflect on their practice and implement change then lessons will result in children making good and better progress. In order to facilitate this process teachers will observe themselves teaching and, along with two other colleagues, identify areas for improvement. The teachers will use a system called IRIS Connect to video their teaching and reflect on the lessons they teach.

STRATEGY STRAND- Teaching and Learning:

Reading at Key Stage 2

The results of the Key Stage 2 SATs tests show a significant gap between the children's performance and the performance all children nationally (12%). This gap needs to close and therefore the school will develop a plan which examines how reading is currently taught and addresses any weaknesses identified by the review. New resources will be bought to enhance the current materials available to teachers so that the text difficulty and depth of questioning taught in guided reading sessions reflect the expectations of the end of Key Stage SATs the Year 6 children sit in May.

STRATEGY STRAND- Teaching and Learning:

Assessment

The only Key Issue identified during our recent OfSTED inspection was assessment. The school needs to develop an assessment system that reflects the good progress children make in their books. Therefore the second area for development in this year's plan will be assessment. Rather than start again and throw out all the hard work undertaken this year, staff will examine how to use our current system more effectively. This will mean examining the Key Performance Indicators identified by the LPAP (Loughborough Primary Academy Partnership) group last year and adjusting the banding levels to clearly reflect the progress the children make during the year.

STRATEGY STRAND- Teaching and Learning:

Curriculum Development

Outwoods Edge has a vibrant and innovative curriculum. However, there are constant demands on teaching time particularly with the introduction of a more demanding English and mathematics curriculum. The aim of this part of the development plan is to review two things. Firstly, how is the curriculum reviewed and developed at Outwoods Edge? Secondly, how are topics organised to enable all the objectives to be taught within the time allowed for other subjects beside English and mathematics. Once this review has taken place, the curriculum team will suggest changes to the way the curriculum is organised by the teachers and recorded by the children.

STRATEGY STRAND- Teaching and Learning, Wellbeing:

Developing children's resilience

This is an LPAP wide priority. The group has obtained funding to work on a collaborative project aimed at making children more resilient to tackle an increasingly complex curriculum. This work builds on the research of Carol Dweck, a Professor of Psychology at Stanford University. The aim of the first phase of the project is to make all staff aware of the theory of Growth Mindset and its potential impact on children's approach to learning. The second phase of the project is to look a practical ways in which Growth Mindset can be implemented in the classroom.

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TRUSTEES' REPORT (continued)
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Funds held as custodian

No funds are held on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Clear & Lane Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating the Strategic Report, was approved by order of the Board of Trustees as the company directors, on 28 November 2016 and signed on the board's behalf by:

Emma Moore
Chair of Trustees

OUTWOODS EDGE PRIMARY SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Outwoods Edge Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material 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 Outwoods Edge Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Emma Moore	5	5
Barry Bookham	5	5
Bernard Fowler	5	5
Emma Jeffries	0	0
Paula Longley	1	3
Mark Maksymiw	5	5
Bobby Peach	2	5
Rachel Phillips	3	5
Julie Ralph	2	4
Nikki Ranzetta	2	5
David Round	5	5
Debbie Tack	1	5
Claire Wilson	4	5
Joe Roughton	2	2
Katie Masters	2	2
Nicola Miles	3	3

There have been three resignations and three appointments during the year.

Governance reviews:

The Trustees conducted a skills audit in April 2016 to identify the strengths and weaknesses of the Board of Trustees. The following table shows the areas in which Trustees perceived they had a lack of expertise, and the action taken to remedy this:

Areas audited	Outcome	Action
Essential for all Governors/Trustees	N/A	N/A
Understanding/experience of Governance	N/A	N/A
Vision and strategic planning	N/A	N/A
Holding the head to account	N/A	N/A
Financial oversight	Experience of premises and facilities management was highlighted as an area for development following the appointment of 3 new Governors	Attendance on related training and attending relevant committee meetings

OUTWOODS EDGE PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

Knowing your school and community	Knowledge of the local/regional economy	Better understanding of funding/resources available to schools and parents through training and parent/Governor relations
	Understanding of special education needs	Attendance on SEN training

It was decided to revisit the audit in twelve months, i.e. Spring 2017. It was also agreed that each committee should take responsibility for ensuring that enough governors had received the training appropriate for the committee's remit.

The Finance Committee is a sub-committee of the Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees in all matters relating to finance and budgeting.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Round	4	5
Mark Maksymiw	5	5
Barry Bookham	5	5
Paula Longley	1	3
Bernard Fowler	4	5

Review of Value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by:

- employed an IT technician to work alongside teachers using ICT, so that teachers can concentrate on teaching and the school can get maximum use from IT investment.
- purchased class sets of Chrome Books so that teachers can deliver computing lessons from the classroom
- using the Sports Grant, we have employed a sports ambassador, who has worked alongside teachers, improving the skills of teachers and pupils, and developed a programme of inter-school competitions and generally enlivening school sport.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Outwoods Edge Primary School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

OUTWOODS EDGE PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor carried out an audit in August 2015 as planned.

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 auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 Board of Trustees on 28 November 2016 and signed on their behalf, by:

Emma Moore
Chair of Trustees

Mark Maksymiw
Accounting Officer

OUTWOODS EDGE PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Outwoods Edge Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

Mark Maksymiw
Accounting Officer

Date: 28 November 2016

OUTWOODS EDGE PRIMARY SCHOOL

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Outwoods Edge Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 28 November 2016 and signed on its behalf by:

Emma Moore
Chair of Trustees

OUTWOODS EDGE PRIMARY SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OUTWOODS EDGE PRIMARY SCHOOL**

We have audited the financial statements of Outwoods Edge Primary School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

OUTWOODS EDGE PRIMARY SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OUTWOODS EDGE PRIMARY SCHOOL**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL
5 December 2016

OUTWOODS EDGE PRIMARY SCHOOL

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INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO OUTWOODS EDGE PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22/02/2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Outwoods Edge Primary School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Outwoods Edge Primary School's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Outwoods Edge Primary School's funding agreement with the Secretary of State for Education dated 22 July 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

OUTWOODS EDGE PRIMARY SCHOOL
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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO OUTWOODS EDGE
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

5 December 2016

OUTWOODS EDGE PRIMARY SCHOOL

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	7,397	8,635	16,032	181,059
Charitable activities:	5					
Funding for the Academy trust's educational operations		-	1,771,048	-	1,771,048	1,615,095
Other charitable activities		-	45,283	-	45,283	40,227
Other trading activities	3	37,960	-	-	37,960	30,360
Investments	4	2,647	-	-	2,647	1,017
TOTAL INCOME		40,607	1,823,728	8,635	1,872,970	1,867,758
EXPENDITURE ON:						
Raising funds		16,842	-	-	16,842	5,397
Charitable activities:						
Academy trust educational operations		-	1,642,775	81,803	1,724,578	1,651,690
Other charitable activities		-	94,739	-	94,739	21,406
TOTAL EXPENDITURE	6	16,842	1,737,514	81,803	1,836,159	1,678,493
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	17	23,765 (28,775)	86,214 (128,152)	(73,168) 156,927	36,811 -	189,265 -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(186,000)	-	(186,000)	18,000
NET MOVEMENT IN FUNDS		(5,010)	(227,938)	83,759	(149,189)	207,265
RECONCILIATION OF FUNDS:						
Total funds brought forward		176,218	(481,008)	2,950,851	2,646,061	2,438,796
TOTAL FUNDS CARRIED FORWARD		171,208	(708,946)	3,034,610	2,496,872	2,646,061

OUTWOODS EDGE PRIMARY SCHOOL

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REGISTERED NUMBER: 08188239

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	12		3,997		-
Tangible assets	13		3,030,613		2,788,581
			<u>3,034,610</u>		<u>2,788,581</u>
CURRENT ASSETS					
Stocks	14	2,342		1,888	
Debtors	15	68,150		55,479	
Cash at bank and in hand		485,653		598,821	
		<u>556,145</u>		<u>656,188</u>	
CREDITORS: amounts falling due within one year	16		<u>(215,883)</u>	<u>(159,708)</u>	
NET CURRENT ASSETS			<u>340,262</u>		496,480
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,374,872</u>		3,285,061
Defined benefit pension scheme liability	22		<u>(878,000)</u>		<u>(639,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>2,496,872</u></u>		<u><u>2,646,061</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income fund	17	169,054		157,992	
Fixed asset fund	17	3,034,610		2,950,851	
Restricted funds excluding pension liability		<u>3,203,664</u>		<u>3,108,843</u>	
Pension reserve		<u>(878,000)</u>		<u>(639,000)</u>	
Total restricted funds			<u>2,325,664</u>		2,469,843
Unrestricted income fund	17		<u>171,208</u>		<u>176,218</u>
TOTAL FUNDS			<u><u>2,496,872</u></u>		<u><u>2,646,061</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2016 and are signed on their behalf, by:

Emma Moore
Chair of Trustees

The notes on pages 29 to 50 form part of these financial statements.

OUTWOODS EDGE PRIMARY SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	203,382	159,548
Cash flows from investing activities:			
Interest received		2,647	1,017
Purchase of tangible fixed assets		(327,832)	(80,932)
Capital grants from DfE and other capital grants		8,635	174,603
Net cash (used in)/provided by investing activities		(316,550)	94,688
Change in cash and cash equivalents in the year			
Cash and cash equivalents at 1 September 2015		598,821	344,585
Cash and cash equivalents at 31 August 2016	20	485,653	598,821

OUTWOODS EDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Outwoods Edge Primary School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Outwoods Edge Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Outwoods Edge Primary School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Reconciliation's to previous UK GAAP for the comparative figures are included in note 26.

1.2 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency 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 Funding Agency.

OUTWOODS EDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

Grants are included in the statement of financial activities 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 statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donated fixed assets are 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.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

1.4 EXPENDITURE

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

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

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

All resources expended are inclusive of irrecoverable VAT.

OUTWOODS EDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Computer software	-	straight line over 3 years
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1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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.

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.

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

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:

Leasehold buildings	-	2% straight line
Leasehold land (125 year lease)	-	over 125 years
Fixtures and fittings	-	over 7 years
Computer equipment	-	33% straight line

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

1. ACCOUNTING POLICIES (continued)

1.8 STOCKS

Stocks are valued at the lower of cost and value in use.

1.9 TAXATION

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

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

1.10 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.

1.11 LIABILITIES AND PROVISIONS

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 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 recognised when the Academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

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

1. ACCOUNTING POLICIES (continued)

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

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

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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.

Defined benefit pension scheme

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

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2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	7,397	-	7,397	6,456
Capital Grants	-	-	8,635	8,635	174,603
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	7,397	8,635	16,032	181,059
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £3,683 was to unrestricted funds and £177,376 was to restricted funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	4,365	-	4,365	4,615
Breakfast club income	27,094	-	27,094	19,083
Other income	6,501	-	6,501	6,662
	<hr/>	<hr/>	<hr/>	<hr/>
	37,960	-	37,960	30,360
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from other trading activities, £25,419 was to unrestricted funds and £4,941 was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	2,647	-	2,647	1,017
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total investment income, £1,017 was to unrestricted funds and £ NIL was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,562,723	1,562,723	1,407,460
Pupil Premium	-	96,565	96,565	101,748
Other Dfe/EFA grants	-	75,888	75,888	86,589
Total	-	1,735,176	1,735,176	1,595,797
Other government grants				
Local Authority grants	-	32,219	32,219	19,298
Total	-	32,219	32,219	19,298
Other funding				
Other income	-	1,838	1,838	-
Income from other schools	-	1,815	1,815	-
Catering income	-	45,283	45,283	40,227
Total	-	48,936	48,936	40,227
Total	-	1,816,331	1,816,331	1,655,322

In 2015, of the total income from charitable activities, £40,227 was to unrestricted funds and £1,615,095 was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	11,375	-	5,467	16,842	5,397
Educational Operations:					
Direct costs	1,225,778	61,352	128,704	1,415,834	1,265,503
Support costs	242,550	72,670	88,263	403,483	421,777
Total	1,479,703	134,022	222,434	1,836,159	1,692,677

In 2015, of the total fundraising expenditure, £5,397 was unrestricted and £NIL was to restricted.

In 2015, of the total educational operations expenditure, £53,866 was to unrestricted funds, £1,569,710 was to restricted funds and £63,704 to restricted fixed asset funds.

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

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	974,346	922,042
Teaching and educational support staff costs - NI	68,966	58,566
Teaching and educational support staff costs - pensions	182,466	144,963
LGPS pension interest cost (£51,000) less return on assets (£26,000)	25,000	23,000
Educational supplies	64,058	31,407
Staff development	13,046	7,860
Educational consultancy	11,142	5,035
Other direct costs	6,265	-
Depreciation	61,352	47,778
Technology costs	9,193	7,742
	1,415,834	1,248,393
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	198,414	195,427
Support staff costs - NI	7,389	6,469
Support staff costs - pensions	36,747	48,918
Recruitment	1,492	10,293
Maintenance of premises and equipment	13,252	20,775
Cleaning	5,576	5,004
Rates	15,751	10,816
Insurance	3,198	14,904
Depreciation	20,451	15,926
Catering	41,739	35,590
Other support costs	11,579	11,314
Security and transport	1,011	533
Technology costs	11,833	12,865
Energy costs	14,442	13,799
Governance	20,609	22,070
	403,483	424,703
Total Academy's educational operations	1,819,317	1,673,096

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

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
	1,998	-
Depreciation of tangible fixed assets:		
- capitalised by the charity	79,805	63,704
Auditors' remuneration - audit	6,550	6,000
Auditors' remuneration - other services	1,426	1,328
	=====	=====

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

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	1,166,402	1,087,486
Social security costs	76,941	65,035
Operating costs of defined benefit pension schemes	220,855	193,881
	<hr/>	<hr/>
	1,464,198	1,346,402
Supply teacher costs	15,505	29,983
	<hr/>	<hr/>
	1,479,703	1,376,385
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
Teachers	17	23
Administration and support	57	53
Management	1	1
	<hr/>	<hr/>
	75	77
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2016 pension contributions for this staff member amounted to £11,200 (2015: £9,258).

A severance payment total of £NIL (2015: £7,547) was made to 1 employee during the last year.

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 £200,514 (2015: £196,420). (These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.)

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2015 - 5) in respect of defined benefit pension schemes.

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

M Maksymiw (Headteacher and Trustee)

Remuneration £65,000 - £70,000 (2015: £65,000 - £70,000)

Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

C Wilson (Staff Trustee)

Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

J Ralph (Staff Trustee)

Remuneration £0,000 - £5,000 (2015: £5,000 - £10,000)

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

D Tack (Staff Trustee)

Remuneration £15,000 - £20,000 (2015: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

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

During the year, no Trustees received any reimbursement of expenses (2015 - £577).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £497 (2015 - £1,360).

12. INTANGIBLE FIXED ASSETS

	Computer software £	Total £
COST		
Additions	5,995	5,995
At 31 August 2016	5,995	5,995
AMORTISATION		
Charge for the year	1,998	1,998
At 31 August 2016	1,998	1,998
CARRYING AMOUNT		
At 31 August 2016	3,997	3,997

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

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	2,813,000	-	86,365	47,705	2,947,070
Additions	-	291,745	12,386	17,706	321,837
At 31 August 2016	<u>2,813,000</u>	<u>291,745</u>	<u>98,751</u>	<u>65,411</u>	<u>3,268,907</u>
DEPRECIATION					
At 1 September 2015	134,045	-	8,881	15,563	158,489
Charge for the year	51,672	-	13,216	14,917	79,805
At 31 August 2016	<u>185,717</u>	<u>-</u>	<u>22,097</u>	<u>30,480</u>	<u>238,294</u>
NET BOOK VALUE					
At 31 August 2016	<u>2,627,283</u>	<u>291,745</u>	<u>76,654</u>	<u>34,931</u>	<u>3,030,613</u>
At 31 August 2015	<u>2,678,955</u>	<u>-</u>	<u>77,484</u>	<u>32,142</u>	<u>2,788,581</u>

The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at in the period ended 31 August 2013 using the EFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

14. STOCKS

	2016 £	2015 £
Uniform and catering stock	<u>2,342</u>	<u>1,888</u>

15. DEBTORS

	2016 £	2015 £
Trade debtors	418	1,012
VAT recoverable	36,657	21,291
Prepayments and accrued income	31,075	33,176
	<u>68,150</u>	<u>55,479</u>

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

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	26,495	28,288
Other taxation and social security	23,513	20,266
Other creditors	23,817	22,794
Accruals and deferred income	142,058	88,360
	215,883	159,708
	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	41,079	45,150
Resources deferred during the year	48,782	41,079
Amounts released from previous years	(41,079)	(45,150)
	48,782	41,079

The closing balance of deferred income relates to Universal Infant Free School Meals and income for educational visits received in advance of the 2016/17 academic year.

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General Funds	176,218	40,607	(16,842)	(28,775)	-	171,208
	176,218	40,607	(16,842)	(28,775)	-	171,208
 RESTRICTED GENERAL FUNDS						
General Annual Grant	135,152	1,562,723	(1,435,821)	(128,152)	-	133,902
Pupil premium	12,701	96,565	(79,175)	-	-	30,091
Other Dfe/EFA	10,139	75,689	(80,767)	-	-	5,061
Other government grants	-	32,419	(32,419)	-	-	-
Other income	-	11,049	(11,049)	-	-	-
Catering income	-	45,283	(45,283)	-	-	-
Pension reserve	(639,000)	-	(53,000)	-	(186,000)	(878,000)
	(481,008)	1,823,728	(1,737,514)	(128,152)	(186,000)	(708,946)

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

17. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Dfe/EFA capital grants	8,975	8,635	(4,713)	-	-	12,897
Transfer on conversion	2,678,955	-	(51,672)	-	-	2,627,283
Capital expenditure from GAG	90,463	-	(24,582)	128,152	-	194,033
Capital expenditure from unrestricted funds	6,037	-	(409)	28,775	-	34,403
Capital expenditure from other income	785	-	(427)	-	-	358
Local Authority capital grants	165,636	-	-	-	-	165,636
	<u>2,950,851</u>	<u>8,635</u>	<u>(81,803)</u>	<u>156,927</u>	<u>-</u>	<u>3,034,610</u>
Total restricted funds	<u>2,469,843</u>	<u>1,832,363</u>	<u>(1,819,317)</u>	<u>28,775</u>	<u>(186,000)</u>	<u>2,325,664</u>
Total of funds	<u><u>2,646,061</u></u>	<u><u>1,872,970</u></u>	<u><u>(1,836,159)</u></u>	<u><u>-</u></u>	<u><u>(186,000)</u></u>	<u><u>2,496,872</u></u>

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

Restricted general funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

The DfE/EFA restricted funds grants consists of Universal Infant Free School Meals Grant of £58,777, rates reimbursement of £7,157 and PE Sports Grant of £9,755. The carried forward balance consists of PE Sports Grant of £5,061.

Other government grants consist of £32,419 SEN income.

Other income consists of £6,412 of contributions towards various educational costs incurred within the year from other schools plus donations mainly from Friends Of Outwoods Edge. All funds were fully spent.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Catering income consists of contributions from pupils for school meals, treated as restricted due to the statutory requirement to provide pupil meals linked to the GAG funding agreement.

Restricted fixed asset funds

DfE/EFA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to the value of £2,678,955 (leasehold land and buildings plus

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

17. STATEMENT OF FUNDS (continued)

moveable assets) transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent. The closing balance represents the net book value of the assets concerned.

Capital expenditure from unrestricted relates to capitalised expenditure allocated to the purchase of fixed assets.

Local Authority grants relate to S106 funding received for the extension of the reception area and new classrooms.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	-	3,997	3,997	-
Tangible fixed assets	-	-	3,030,613	3,030,613	2,788,581
Current assets	171,208	384,937	-	556,145	656,188
Current liabilities	-	(215,883)	-	(215,883)	(159,708)
Pension scheme liability	-	(878,000)	-	(878,000)	(639,000)
Total	171,208	(708,946)	3,034,610	2,496,872	2,646,061

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NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of Financial Activities)	36,811	189,265
Adjustment for:		
Depreciation charges	81,803	63,704
Interest receivable	(2,647)	(1,017)
(Increase)/decrease in stocks	(454)	498
Decrease/(Increase) in debtors	(12,671)	(7,503)
Increase in creditors	56,175	36,204
Capital grants from DfE and other capital income	(8,635)	(174,603)
Defined benefit pension scheme cost less contributions payable	28,000	30,000
Defined benefit pension scheme finance cost	25,000	23,000
	203,382	159,548
Net cash provided by operating activities	203,382	159,548

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	485,653	598,821
Total	485,653	598,821
	485,653	598,821

21. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	65,000	409,000
	65,000	409,000
	65,000	409,000

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £23,526 were payable to the schemes at 31 August 2016 (2015 - £19,029) 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,

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

22. PENSION COMMITMENTS (continued)

automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £155,000 (2015 - £145,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £112,000 (2015 - £99,000), of which employer's contributions totalled £88,000 (2015 - £77,000) and employees' contributions totalled £24,000 (2015 - £22,000). The agreed contribution rates for future years are 21.4% - 22.4% for employers and 5.5 - 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Inflation assumption (CPI)	2.10 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	639,000	416,000
Bonds	160,000	133,000
Property	80,000	70,000
Cash	9,000	13,000
	<hr/>	<hr/>
Total market value of assets	888,000	632,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £26,000 (2015 - £21,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS102 report for Fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2015 for the year to 31 August 2016, or date of joining the fund if later).

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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(116,000)	(107,000)
Net interest cost	(25,000)	(23,000)
Total	<u>(141,000)</u>	<u>(130,000)</u>

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

	2016 £	2015 £
At 1 September	1,271,000	1,117,000
Current service cost	116,000	107,000
Interest cost	51,000	44,000
Employee contributions	24,000	22,000
Actuarial losses/(gains)	306,000	(17,000)
Benefits paid	(2,000)	(2,000)
At 31 August	<u>1,766,000</u>	<u>1,271,000</u>

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

	2016 £	2015 £
At 1 September	632,000	513,000
Return on plan assets (excluding net interest on the net defined pension liability)	26,000	21,000
Actuarial gains and (losses)	120,000	1,000
Employer contributions	88,000	77,000
Employee contributions	24,000	22,000
Benefits paid	(2,000)	(2,000)
At 31 August	<u>888,000</u>	<u>632,000</u>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2016:	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	15 %	259,000
1 year increase in member life expectancy	3 %	53,000
0.5% increase in the Salary Increase Rate	6 %	109,000
0.5% increase in the Pension Increase Rate	8 %	141,000

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23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

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

During the year the Academy paid £NIL (2015: £370) to Print Monkey for logo development, a company in which Emma Moore, Governor, is a director.

The Academy also employed Abigail Bookham, wife of Barry Bookham, Governor, as an LSA. She is paid at a standard level for this role.

25. CONNECTED CHARITIES

The Friends of Outwoods Edge raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy. The charity's net assets/reserves at 31 August 2016 were £3,276. The charity's gross income for the year to 31 August was £3,538, its expenditure was £4,107 and its deficit was £569.

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26. FIRST TIME ADOPTION OF FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliation's and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		2,438,796	2,646,061
Total funds reported under FRS 102		<u>2,438,796</u>	<u>2,646,061</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		199,265
Change in recognition of LGPS interest cost	A	(10,000)
Net movement in income reported under FRS 102		<u>189,265</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £10,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.