

Company Registration No. 07804043 (England and Wales)

**JOYDENS WOOD INFANT SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' STRATEGIC REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

# JOYDENS WOOD INFANT SCHOOL

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# JOYDENS WOOD INFANT SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Governors</b>	C Jacobs (Chair) P Chapman (Accounting Officer) (Appointed 1 September 2016) J Bailey (Resigned 1 September 2016) J Chiverton A Gray S G Grimble (Appointed 1 February 2016) S Hall (Resigned 1 November 2015) S Hallam H Harry (Appointed 1 September 2015 and resigned 1 August 2016) C Lawton (Resigned 31 December 2015) R Macionis (Appointed 1 June 2016) R Palache N Settle J Stow (Appointed 1 June 2016)
<b>Members</b>	C Jacobs A Gray S Grimble
<b>Senior leadership team</b>	P Chapman - Acting Headteacher S Hallam - Business Manager
<b>Company registration number</b>	07804043 (England and Wales)
<b>Registered office</b>	Joydens Wood Infant School Park Way Bexley Kent DA5 2JD
<b>Independent auditor</b>	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ
<b>Bankers</b>	Lloyds Bank PLC PO Box 1000 Andover BX1 1LT
<b>Solicitors</b>	Eversheds LLP One Wood Street London EC2V 7WS

# JOYDENS WOOD INFANT SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

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The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 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 academy trust operates an academy for pupils aged 4 to 7. It has a pupil capacity of 270 and had a roll of 264 in the school census in 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 governors are the trustees of Joydens Wood Infant School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Joydens Wood Infant School was incorporated on 10 October 2011 and obtained Academy status from 1 November 2011.

##### 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.

##### Method of recruitment and appointment or election of governors

The members of the Academy Trust shall comprise the signatories to the Memorandum, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum. The Academy Trust shall have up to 11 Governors; 2 Staff Governors, 1 LA Governor; 4 parent Governors; the Principal, any Additional Governors if appointed under Article 62,62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to 3 Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Headteacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

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

##### Policies and procedures adopted for the induction and training of governors

During the year under review the Governors held 4 meetings. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Organisational structure

The structure consists of the following levels: the Governors, Senior Leadership Team and School Improvement Group. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Headteacher and Assistant Headteacher. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for middle and senior leader posts will contain a Governor.

#### Arrangements for setting pay and remuneration of key management personnel

The Senior Leadership Team consisted of Headteacher (resigned 31 August 2016) and 2 assistant Headteachers, one in post for 2 terms. The Headteacher's salary increase is determined by the appointed governors following the performance management review. The salary level for the new Headteacher (with effect from 1 January 2017) was fixed by the interview panel who set the ISR within the range for a Group 2 school. The Assistant Headteacher 5 point range was determined on appointment by the governing body pay and personnel committee. Increments following performance management were recommended by the Headteacher and approved by the pay committee.

#### Related parties and other connected charities and organisations

##### **Objectives and activities**

##### Objects and aims

Joydens Wood Infant School is a school with children aged 4 - 7. We foster a genuine sense of respect for the individual alongside an appreciation of the culture and beliefs of others.

The principal object of the Academy is specifically restricted to the following, to advance 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 and balanced curriculum.

##### Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Joydens Wood Infant School community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Joydens Wood Infant School.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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Children will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfil their roles as true partners, recognizing their role in the child- school - parent partnership to ensure that their child realises his/her potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a nationally recognised centre of excellence.

#### Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Reception admissions are administered by The Admissions and Transport Team, Kent County Council.

In the event of over-subscription, places will be offered in descending order to:

- Children in Local Authority Care
- Current family association (A brother or sister in the same school at the time of entry where the family continue to live at the same address as when the sibling was admitted – or – if they have moved – live within 2 miles of the school – or have moved to a new property that is nearer to the school than the previous property).
- Health and Special Access reasons (Children who for reasons of health or physical impairment need to attend a particular school)
- Nearness of children's homes to school

#### **Strategic report**

##### Achievements and performance

The Academy continues to achieve the forecast numbers of children. Total pupils in the year ended 31 August 2016 numbers 230 (2014: 218) and the Academy had 255 pupils in total.

Percentage of Pupils attaining or surpassing each level at Key Stage 1 by subject in 2016

	School		Kent		National	
	All	FSM	All	FSM	All	FSM
Reading % Expected Standard+	93.8	87.5	78.2	63.6	74.0	N/A
Writing % Expected Standard+	87.7	62.5	71.3	55.0	65.5	N/A
Maths % Expected Standard+	85.2	62.5	77.5	63.1	72.6	N/A
Reading % Greater Depth	54.3	24.0	25.0	12.2	23.6	N/A
Writing % Greater Depth	45.7	25.0	15.1	6.3	13.3	N/A
Maths % Greater Depth	46.9	12.5	18.5	8.4	17.8	N/A

# JOYDENS WOOD INFANT SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Key performance indicators

To ensure that standards are continually raised the Academy: operates a programme of internal and external reviewed of curriculum areas.

- We are above local and national averages in our KS1 results.
- We received good in our last Ofsted inspection
- Effective staff performance management is in place which is performance related..
- Pupil progress meetings and rigorous tracking of all children takes place termly
- Effective use of outside advisors for monitoring learning and teaching and developing practice

#### Going concern

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

#### **Financial review**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £1,222k (2015: £1,155k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £28k (2015: £32k ).

At 31 August 2016 the net book value of fixed assets was £2,036k (2015: £1,845k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Kent County Council Pension Fund, in which the Academy participates, showed a deficit of £608k at 31 August 2016 (2015: £308k). Of this sum, £243k was inherited by Joydens Wood Infant School from the Kent County Council on 1 November 2011, the date the local authority's staff transferred to employment with the Academy.

The Academy held fund balances at 31 August 2016 of £1,588k (2015: £1,826k) comprising £1,439k (2015: £1,693k) of restricted funds and £149k (2015: £133k) of unrestricted general funds. Of the restricted funds £2,047k (2015: £2,001k) is represented by tangible fixed assets and unspent capital grants.

The pension reserve which is considered part of restricted funds was 2016: £608k (2015: £308k) in deficit.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £70k (2015: £65k).

The academy's current level of free reserves is £149k (2015: £133k) (total funds less the amount held in fixed assets and restricted funds). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, the Governors expect to utilise the excess in reserves in the coming year.

#### Investment policy and powers

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Principal risks and uncertainties

The Governors consider the following to be the major risks to which the Academy is exposed:

The principal financial risk faced by the school is the ongoing pressure on funding resulting in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Governors, mitigates the risk.

The risk that Trustees do not ensure that rigorous monitoring is undertaken in the absence of the Headteacher and/or Business Manager. Kent Financial Services are contracted to perform monthly monitoring which are scrutinised by Governors.

The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors are introducing systems, including operational procedures internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 8.

The principal risks and uncertainties that Joydens Wood Infant School faces are mitigated by the risk management process that the academy trust has in place.

#### Financial and risk management objectives and policies

The main financial risks which Joydens Wood Infant School is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant.

A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £608k (2015: £308k). The school follows the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2016*

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### **Plans for future periods**

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its pupils reach their full potential.

The school has a good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The school also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes.

School improvement strategies are effective because subjects identified as previously underperforming have been successfully addressed through a combination of rigorous monitoring, CPD, including analysis of results. The school makes good provision for personalised learning, support and intervention programmes for individual pupils and the quality of provision for inclusion is good.

The strive for improvement is evident in many aspects of school life, but particularly in the strong culture of collaboration, openness and commitment to professional learning.

### **Auditor**

In so far as the governors are aware:

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

A resolution proposing that Wilkins Kennedy LLP be reappointed as auditor of the charitable company will be put to the members.

C Jacobs  
**Chair**

# JOYDENS WOOD INFANT SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
C Jacobs (Chair)	3	3
P Chapman (Accounting Officer) (Appointed 1 September 2016)		
J Bailey (Resigned 1 September 2016)	2	3
J Chiverton	2	3
A Gray	3	3
S G Grimble (Appointed 1 February 2016)	2	2
S Hall (Resigned 1 November 2015)	0	0
S Hallam	2	3
H Harry (Appointed 1 September 2015 and resigned 1 August 2016)	2	3
C Lawton (Resigned 31 December 2015)	1	2
R Macionis (Appointed 1 June 2016)	1	1
R Palache	3	3
N Settle	3	3
J Stow (Appointed 1 June 2016)	0	1

The appointments listed above were made to improve the skills base of the Board. No particular challenges have arisen for the board.

The Governing Body intends to conduct its next self-evaluation external review in 2016/2017

The Resources Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the full governing body for ratification. This committee has also taken on the role of the audit committee and as such will review the reports issued by the Internal Auditor.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
C Jacobs (Chair)	4	4
J Bailey (Resigned 1 September 2016)	4	4
A Gray	4	4
S Hallam	3	4
R Palache	4	4
N Settle	0	1

#### Review of value for money

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

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

The Governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

#### What Is Best Value?

Governors will apply the four principles of best value:

- Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- Consult - How does the school seek the views of stakeholders about the services the school provides?
- Compete - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

#### The Governors' Approach

The Governors and the school will apply the principles of best value when making decisions about the allocation of resources to best promote the aims and values of the school.

- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various educational needs of all pupils.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Governors, and the school leaders, will:**

- Make comparisons with other/similar schools using data provided by the LA and the Government, e.g. Raise on line, quality of teaching & learning, levels of expenditure
- Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets
- Require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. pupil reports, OFSTED, Gas and Electricity provider, Internet Provider

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

### **Governors and the school:**

- Will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services
- The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

### **Staffing**

- Governors and school leaders will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.
- Use of Premises
- Governors and school leaders will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. Library.

### **Use of Resources**

Governors and school leaders will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

### **Teaching**

Governors and school leaders will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- A curriculum which meets the requirements of the National Curriculum
- Teaching which builds on previous learning and has high expectations of children's achievement.

### **Learning**

- Governors and school leaders will review the quality of children's learning, by cohort, class and group, to provide teaching provides children to achieve
- More than expected progress, e.g. 4 sub levels of progress in Year 1.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Purchasing**

- Governors and school leaders will develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:
- Competitive tendering procedures
- Procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- Procedures which minimise office time by the purchase of goods or services under
- £1,000 direct from known, reliable suppliers (e.g. stationery)

Governors and school leaders will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

### **Health & Safety**

Governors and school leaders will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Joydens Wood Infant School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint a Responsible Officer. However, the Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

# JOYDENS WOOD INFANT SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

Wilkins Kennedy LLP have delivered their schedule of work as planned and all recommendations have been actioned.

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

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

Approved by order of the board of governors on 03 November 2016 and signed on its behalf by:

C Jacobs  
**Chair**

P Chapman  
**Accounting Officer**

# JOYDENS WOOD INFANT SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2016*

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As accounting officer of Joydens Wood Infant School I have considered my responsibility to notify the academy trust board of governors 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's board of governors 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 governors and EFA.

P Chapman  
**Accounting Officer**

03 November 2016

# JOYDENS WOOD INFANT SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The governors (who act as trustees for Joydens Wood Infant School and are also the directors of Joydens Wood Infant School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

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

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

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

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

Approved by order of the board of governors on 03 November 2016 and signed on its behalf by:

C Jacobs  
**Chair**

# JOYDENS WOOD INFANT SCHOOL

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF JOYDENS WOOD INFANT SCHOOL

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We have audited the accounts of Joydens Wood Infant School for the year ended 31 August 2016 set out on pages 19 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors, who are also the directors of Joydens Wood Infant School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts 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 accounts**

In our opinion the accounts:

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

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

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

# JOYDENS WOOD INFANT SCHOOL

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF JOYDENS WOOD INFANT SCHOOL (CONTINUED)

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### **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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Catherine Cooper (Senior Statutory Auditor)**  
for and on behalf of Wilkins Kennedy LLP

### **Chartered Accountants**

#### **Statutory Auditor**

Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: 28 November 2016

# JOYDENS WOOD INFANT SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOYDENS WOOD INFANT SCHOOL AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 27 July 2015 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 Joydens Wood Infant School during the period 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 Joydens Wood Infant School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Joydens Wood Infant School and 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 Joydens Wood Infant School and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Joydens Wood Infant School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Joydens Wood Infant School's funding agreement with the Secretary of State for Education dated 1 November 2011 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 period 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 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 trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# JOYDENS WOOD INFANT SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOYDENS WOOD INFANT SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### **Conclusion**

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

### **Reporting Accountant**

Wilkins Kennedy LLP  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: 28 November 2016

# JOYDENS WOOD INFANT SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	7	-	94	101	411
Charitable activities:						
- Funding for educational operations	3	-	1,115	-	1,115	1,048
Other trading activities	4	25	-	-	25	18
<b>Total income and endowments</b>		<u>32</u>	<u>1,115</u>	<u>94</u>	<u>1,241</u>	<u>1,477</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	6	4	1,171	47	1,222	1,155
<b>Total expenditure</b>	5	<u>4</u>	<u>1,171</u>	<u>47</u>	<u>1,222</u>	<u>1,155</u>
<b>Net income/(expenditure)</b>		28	(56)	47	19	322
Transfers between funds		(12)	13	(1)	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(257)	-	(257)	(7)
<b>Net movement in funds</b>		<u>16</u>	<u>(300)</u>	<u>46</u>	<u>(238)</u>	<u>315</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		133	(308)	2,001	1,826	1,511
Total funds carried forward		<u>149</u>	<u>(608)</u>	<u>2,047</u>	<u>1,588</u>	<u>1,826</u>

# JOYDENS WOOD INFANT SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	2	18	-	393	411
Charitable activities:					
- Funding for educational operations	3	-	1,048	-	1,048
Other trading activities	4	18	-	-	18
<b>Total income and endowments</b>		<u>36</u>	<u>1,048</u>	<u>393</u>	<u>1,477</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	6	2	1,120	33	1,155
<b>Total expenditure</b>	5	<u>2</u>	<u>1,120</u>	<u>33</u>	<u>1,155</u>
<b>Net income/(expenditure)</b>		34	(72)	360	322
Transfers between funds		(36)	(31)	67	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(7)	-	(7)
<b>Net movement in funds</b>		(2)	(110)	427	315
<b>Reconciliation of funds</b>					
Total funds brought forward		135	(198)	1,574	1,511
Total funds carried forward		<u>133</u>	<u>(308)</u>	<u>2,001</u>	<u>1,826</u>

# JOYDENS WOOD INFANT SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		2,036		1,845
<b>Current assets</b>					
Debtors	12	33		47	
Cash at bank and in hand		426		460	
		<u>459</u>		<u>507</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(292)		(218)	
<b>Net current assets</b>			167		289
<b>Total assets less current liabilities</b>			2,203		2,134
Creditors: amounts falling due after more than one year	14		(7)		-
<b>Net assets excluding pension liability</b>			2,196		2,134
Defined benefit pension liability	18		(608)		(308)
<b>Net assets</b>			<u>1,588</u>		<u>1,826</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			2,047		2,001
- Pension reserve			(608)		(308)
<b>Total restricted funds</b>			<u>1,439</u>		<u>1,693</u>
<b>Unrestricted income funds</b>	16		149		133
<b>Total funds</b>			<u>1,588</u>		<u>1,826</u>

The accounts set out on pages 19 to 40 were approved by the board of governors and authorised for issue on 03 November 2016 and are signed on its behalf by:

C Jacobs  
Chair

Company Number 07804043

# JOYDENS WOOD INFANT SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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		2016		2015	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		102		109
<b>Cash flows from investing activities</b>					
Capital grants from DfE and EFA		94		389	
Capital funding from sponsors and others		-		4	
Payments to acquire tangible fixed assets		(238)		(304)	
			(144)		89
<b>Cash flows from financing activities</b>					
Repayment of other loan		8		-	
			8		-
<b>Change in cash and cash equivalents in the reporting period</b>					
			(34)		198
Cash and cash equivalents at 1 September 2015			460		262
<b>Cash and cash equivalents at 31 August 2016</b>			<u>426</u>		<u>460</u>

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# JOYDENS WOOD INFANT SCHOOL

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

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006 (other than in respect of the disclosure of remunerations received by staff governors under employment contracts - see note 9 for details).

Joydens Wood Infant School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Joydens Wood Infant School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

#### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts.

#### 1.3 Income

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

##### Grants receivable

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

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

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

##### Donations

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

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

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

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

##### Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

#### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, governors' meetings and reimbursed expenses.

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The property has been included at the valuation provided by the EFA when completing their desktop valuation.

The academy has a 125 year lease from conversion on the land and buildings with Kent County Council.

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

Land and buildings	2%
Assets under construction	Nil
Computer equipment	33.3%
Fixtures, fittings & equipment	25%

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

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

##### 1.6 Liabilities

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

##### 1.7 Leasing commitments

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

##### 1.8 Taxation

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

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

#### 1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.10 Fund accounting

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

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

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

#### 1.11 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 1 Accounting policies

(Continued)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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.

#### Critical areas of judgement

##### Useful economic lives of 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 re-assessed 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 11 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

##### Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 2 Donations and capital grants

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
Capital grants	-	94	94	393
Other donations	7	-	7	18
	<u>7</u>	<u>94</u>	<u>101</u>	<u>411</u>

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	926	926	867
Other DfE / EFA grants	-	132	132	116
	-----	-----	-----	-----
	-	1,058	1,058	983
	=====	=====	=====	=====
<b>Other government grants</b>				
Local authority grants	-	57	57	65
	-----	-----	-----	-----
<b>Total funding</b>	-	1,115	1,115	1,048
	=====	=====	=====	=====

### 4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	2	-	2	2
Catering income	-	-	-	1
Other income	23	-	23	15
	-----	-----	-----	-----
	25	-	25	18
	=====	=====	=====	=====

### 5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
<b>Academy's educational operations</b>					
- Direct costs	721	33	21	775	732
- Allocated support costs	145	31	271	447	423
	-----	-----	-----	-----	-----
	866	64	292	1,222	1,155
	=====	=====	=====	=====	=====
<b>Total expenditure</b>	866	64	292	1,222	1,155
	=====	=====	=====	=====	=====

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

<b>5 Expenditure</b>		<b>(Continued)</b>		
<b>Net income/(expenditure) for the year includes:</b>		<b>2016</b>	<b>2015</b>	
		<b>£'000</b>	<b>£'000</b>	
Fees payable to auditor for:				
	- Audit	7	7	
	- Other services	4	1	
	Operating lease rentals	1	1	
	Depreciation of tangible fixed assets	47	33	
		<u>          </u>	<u>          </u>	
 <b>6 Charitable activities</b>				
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>2016</b>	<b>2015</b>
			<b>£'000</b>	<b>£'000</b>
	Direct costs - educational operations	-	775	775
	Support costs - educational operations	4	443	447
		<u>          </u>	<u>          </u>	<u>          </u>
		4	1,218	1,222
		<u>          </u>	<u>          </u>	<u>          </u>
	 <b>Analysis of costs</b>		<b>2016</b>	<b>2015</b>
			<b>£'000</b>	<b>£'000</b>
	<b>Direct costs</b>			
	Teaching and educational support staff costs		706	646
	Staff development		15	30
	Depreciation and amortisation		33	25
	Technology costs		-	9
	Educational supplies and services		21	21
	Other direct costs		-	1
			<u>          </u>	<u>          </u>
			775	732
			<u>          </u>	<u>          </u>
	<b>Support costs</b>			
	Support staff costs		145	141
	Depreciation and amortisation		14	8
	Technology costs		11	17
	Recruitment and support		2	-
	Maintenance of premises and equipment		17	34
	Cleaning		15	15
	Energy costs		11	12
	Rent and rates		5	5
	Insurance		10	9
	Catering		104	104
	Interest and finance costs		12	(5)
	Other support costs		88	74
	Governance costs		13	9
			<u>          </u>	<u>          </u>
			447	423
			<u>          </u>	<u>          </u>

# JOYDENS WOOD INFANT SCHOOL

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

### 7 Governance costs

	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal and professional fees	2	1
Auditor's remuneration		
- Audit of financial statements	7	7
- Other audit costs	4	1
	<u>13</u>	<u>9</u>

### 8 Staff costs

	<b>2016 £'000</b>	<b>2015 £'000</b>
Wages and salaries	574	613
Social security costs	37	39
Operating costs of defined benefit pension schemes	131	125
	<u>742</u>	<u>777</u>
Staff costs	742	777
Supply staff costs	109	10
Staff development and other staff costs	15	30
	<u>866</u>	<u>817</u>

#### Staff numbers

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

	<b>2016 Number</b>	<b>2015 Number</b>
Teachers	20	22
Administration and support	8	7
Management	4	4
	<u>32</u>	<u>33</u>

#### Higher paid staff

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

	<b>2016 Number</b>	<b>2015 Number</b>
£70,001-£80,000	1	1

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 8 Staff costs

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the governors 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 £223K (2015: £216k).

### 9 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments (2015: £Nil).

The value of governors' remuneration was as follows:

#### J Bailey(Headteacher)

Remuneration £70,000 - £75,000 (2015: £70,000-£75,000)

Employers Pension Contributions £5,000 - £10,000 (2015: £10,000-£15,000)

#### R Hatley (7 months) and S Hallam (2015: R McGrory and S Hallam)

Remuneration £57,854(2015: £61,178)

Employers Pension Contributions £10,627(2015: £12,725)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

During the year no expenses were reimbursed or paid directly to governors (2015: £Nil).

Other related party transactions involving the governors are set out within the related parties note.

### 10 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 could not be ascertained as it is included with all insurance (2015: £418 ).

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 11 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2015	1,675	231	42	4	1,952
Additions	105	133	-	-	238
Transfers	231	(231)	-	-	-
At 31 August 2016	2,011	133	42	4	2,190
<b>Depreciation</b>					
At 1 September 2015	95	-	12	-	107
Charge for the year	32	-	14	1	47
At 31 August 2016	127	-	26	1	154
<b>Net book value</b>					
At 31 August 2016	1,884	133	16	3	2,036
At 31 August 2015	1,580	231	30	4	1,845

During the year the Academy extended the school classrooms.

Included in land and buildings is land of £424k (2015: £424k) which is not depreciated.

### 12 Debtors

	2016 £'000	2015 £'000
VAT recoverable	29	43
Prepayments and accrued income	4	4
	33	47

### 13 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Other loans	1	-
Other taxation and social security	9	12
Other creditors	145	11
Accruals and deferred income	137	195
	292	218

# JOYDENS WOOD INFANT SCHOOL

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

14 Creditors: amounts falling due after more than one year	2016 £'000	2015 £'000
Other loans	7	-
	<u>7</u>	<u>-</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	2	-
Wholly repayable within five years	6	-
	<u>8</u>	<u>-</u>
Less: included in current liabilities	(1)	-
	<u>7</u>	<u>-</u>
Amounts included above	<u>7</u>	<u>-</u>
Instalments not due within five years	2	-
	<u>2</u>	<u>-</u>
<b>Loan maturity</b>		
Debt due in one year or less	1	-
Due in more than one year but not more than two years	1	-
Due in more than two years but not more than five years	4	-
Due in more than five years	2	-
	<u>8</u>	<u>-</u>
	<u>8</u>	<u>-</u>

Included within creditors is a loan of £8k from SALIX which is provided on the following terms. The loan is interest free and repayable in 16 equal half yearly payments of £505.

15 Deferred income	2016 £'000	2015 £'000
Deferred income is included within:		
Creditors due within one year	63	55
	<u>63</u>	<u>55</u>
Deferred income at 1 September 2015	55	52
Released from previous years	(55)	(52)
Amounts deferred in the year	63	55
	<u>63</u>	<u>55</u>
<b>Deferred income at 31 August 2016</b>	<u>63</u>	<u>55</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for universal free school meals funding and devolved formula capital .

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	926	(939)	13	-
Other DfE / EFA grants	-	132	(132)	-	-
Other government grants	-	57	(57)	-	-
	<u>-</u>	<u>1,115</u>	<u>(1,128)</u>	<u>13</u>	<u>-</u>
Funds excluding pensions	-	1,115	(1,128)	13	-
Pension reserve	(308)	-	(43)	(257)	(608)
	<u>(308)</u>	<u>1,115</u>	<u>(1,171)</u>	<u>(244)</u>	<u>(608)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	156	94	-	(231)	19
Salix loan	-	-	-	(8)	(8)
General fixed assets	1,845	-	(47)	238	2,036
	<u>2,001</u>	<u>94</u>	<u>(47)</u>	<u>(1)</u>	<u>2,047</u>
<b>Total restricted funds</b>	<u>1,693</u>	<u>1,209</u>	<u>(1,218)</u>	<u>(245)</u>	<u>1,439</u>
<b>Unrestricted funds</b>					
General funds	133	32	(4)	(12)	149
	<u>133</u>	<u>32</u>	<u>(4)</u>	<u>(12)</u>	<u>149</u>
<b>Total funds</b>	<u>1,826</u>	<u>1,241</u>	<u>(1,222)</u>	<u>(257)</u>	<u>1,588</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy. Under the amended funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DFE/EFA grants: This includes the pupil premium, sports grant, and the devolved formula capital grant and universal infant free school meals.

Local government grants: This includes SEN funding, rising roll funding and Mainstream funding from Kent County Council.

Capital Grants : The academy received a grant for classroom extensions and boiler works.

Salix loan: The Academy received a loan from Salix for a new boiler. The loan is repayable over 8 years.

The transfer of funds is to cover the excess of expenditure over income on GAG.

# JOYDENS WOOD INFANT SCHOOL

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

### 17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	2,036	2,036
Current assets	149	291	19	459
Creditors falling due within one year	-	(291)	(1)	(292)
Creditors falling due after one year	-	-	(7)	(7)
Defined benefit pension liability	-	(608)	-	(608)
	<u>149</u>	<u>(608)</u>	<u>2,047</u>	<u>1,588</u>

### 18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £12k (2015: £nil) were payable to the schemes at 31 August 2016 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

# JOYDENS WOOD INFANT SCHOOL

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

### 18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 the TPS in the period amounted to £47k (2015: £48k).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.3% for employers and 5.5-7.5% for employees. The estimated value of employer contributions for the forthcoming year is £52k (2015: £47k).

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.

<b>Total contributions made</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	52	46
Employees' contributions	15	13
	<hr/>	<hr/>
Total contributions	67	59
	<hr/> <hr/>	<hr/> <hr/>
<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	4.1	4.4
Rate of increase for pensions in payment	2.3	2.6
Discount rate	2.2	4.0
Inflation assumption (CPI)	3.2	3.5
	<hr/> <hr/>	<hr/> <hr/>

# JOYDENS WOOD INFANT SCHOOL

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

### 18 Pensions and similar obligations

(Continued)

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

	<b>2016</b>	<b>2015</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.9	22.8
- Females	25.3	25.2
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.7	27.6
	=====	=====

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

	<b>2016</b>	<b>2015</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>
Equities	378	289
Gilts	5	4
Other bonds	60	47
Cash	13	11
Property	78	57
Other assets	24	18
	=====	=====
Total market value of assets	558	426
	=====	=====
Actual return on scheme assets - gain/(loss)	65	(10)
	=====	=====

#### Amounts recognised in the statement of financial activities

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost (net of employee contributions)	83	75
Net interest cost	12	(5)
	=====	=====
Total operating charge	95	70
	=====	=====

# JOYDENS WOOD INFANT SCHOOL

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

18 Pensions and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2016	2015
	£'000	£'000
Obligations at 1 September 2015	734	634
Current service cost	83	75
Interest cost	30	26
Employee contributions	15	13
Actuarial loss	304	(14)
	<u>1,166</u>	<u>734</u>
	<u>1,166</u>	<u>734</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2015	426	357
Interest income	18	15
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	47	(5)
Employer contributions	52	46
Employee contributions	15	13
	<u>558</u>	<u>426</u>
	<u>558</u>	<u>426</u>
<b>19 Reconciliation of net income to net cash flows from operating activities</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Net income for the reporting period	19	322
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(94)	(393)
Defined benefit pension costs less contributions payable	31	29
Defined benefit pension net finance cost/(income)	12	(5)
Depreciation of tangible fixed assets	47	33
(Increase)/decrease in debtors	14	(30)
Increase/(decrease) in creditors	73	153
	<u>102</u>	<u>109</u>
<b>Net cash provided by operating activities</b>	<b>102</b>	<b>109</b>
	<u>102</u>	<u>109</u>

# JOYDENS WOOD INFANT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 20 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

#### 21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	6	1
Amounts due in two and five years	21	4
	<u>27</u>	<u>5</u>

#### 22 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have 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.

Ryland Communications Limited is a company controlled by the family of N Settle, Governor. During the year the Academy purchased communication services amounting to £1,320 (2015: £1,313), no amounts were due at the year end. The Academy made the purchase at arms' length, N Settle had no influence over the decision to use his family's company. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

JSP Clarity is a company where the Managing Director is J Stow, Governor. During the year the academy entered into a 5 year lease for photocopiers amounting to an annual commitment of £5,520. The Academy made the agreement at arm's length, J Stow had no influence over the decision to use their company. In entering into the transaction the trust has ensured they are achieving value for money.

#### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

# JOYDENS WOOD INFANT SCHOOL

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

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### 24 Reconciliations on adoption of FRS 102

#### Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	1,511	1,826
	=====	=====

#### Reconciliation of net income for the previous financial period

	Notes	2015 £'000
Net income as reported under previous UK GAAP		314
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	i	8
Net income reported under FRS 102		322
		=====

#### Notes to reconciliations on adoption of FRS 102

##### i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/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 expense by £8k and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.