

Registered number: 08131708 (England and Wales)

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**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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**BRANSTON JUNIOR ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

Mr R Openshaw (resigned 3 October 2018)  
Dr J Winn (appointed 14 December 2016)

**Governors**

L Street (resigned 4 September 2018)  
L Perkins  
A Kisby  
M Pursey  
J Whitehouse  
R Shaw, Head Teacher and Accounting Officer  
R Openshaw, Chair of Governors (until 04/10/2017)  
S Hewkin (resigned 11 January 2018)  
Dr J Winn, Chair of Governors (from 04/10/2017) (appointed 14 December 2016)  
V Shipley (appointed 20 January 2016)  
C Gray (appointed 9 May 2018)  
L Cook (appointed 9 May 2018)  
A Bailey (appointed 9 May 2018)

**Company registered number**

08131708

**Company name**

Branston Junior Academy

**Principal and registered office**

15 Station Road, Lincoln, LN4 1LH

**Senior management team**

Mrs R Shaw, Head Teacher  
Miss L Perkins, Deputy Head  
Mrs J Whitehouse, School Business Manager

**Independent auditors**

Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, Lincolnshire, LN1 1XW

**Bankers**

Lloyds Bank PLC, 202 High Street, Lincoln, LN5 7AP

**Solicitors**

Wilkin Chapman LLP, The Maltings 11-15, Brayford Wharf East, Lincoln, LN5 7AY

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

The Trust operates as an Academy for pupils aged 7-11 serving a catchment area of Branston and surrounding areas. It has a pupil capacity of 180 and had a roll of 142 on the school census at Autumn 2017.

**Structure, governance and management**

**a. CONSTITUTION**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the academy trust.

The academy was incorporated on 5 July 2012 and commenced trading on that date.

The Governors of Branston Junior Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Branston Junior Academy.

Details of the Governors who served during the are included in the Reference and Administrative details on page 1.

**b. 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.

**c. GOVERNORS' INDEMNITIES**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the scheme.

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

Governors nominated should as far as reasonably possible be from the community, parents at the school or elected staff representatives. All vacancies are advertised on the website or in the school newsletters. If ballots are required, nominees submit appropriate supporting text, ballot forms are sent out to each parent or carer with clear instruction, situation of ballot box and submission date for final count. Parents are elected for a four year period, as are three staff representatives.

All governors can nominate co-optees if and when a need is established by the full body. The following structure and procedures are implemented as presented in the Academy articles of association.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The governors may appoint as many governors as they deem appropriate with a minimum of 3 governors save that there shall be no more than three employees of the Academy Trust (excluding the head teacher) appointed as governors.

The head teacher shall be treated for all purposes as being an ex officio governor.

(i) Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he is elected.

(ii) The governing body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of parent governors which is contested shall be held by secret ballot.

(iii) The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

(iv) Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

(v) The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

(vi) In appointing a parent governor the governing body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

A new trustee/governor will attend a briefing with the head teacher and chair of trustees/governors. The trustee/governor will be given a full tour of the school and such documents and policies as required.

**f. ORGANISATIONAL STRUCTURE**

The governors defined a separation of duties between the governors, head teacher and senior leadership team in agreement with the full governing body, on 17 September 2015.

**g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Trustees have a Pay Committee which meet once per year to listen to evidence and information offered by the headteacher, before making any decisions regarding pay. Advice and guidance is always sought from the HR Team at Judicium with regards to any pay decisions and/or remuneration of key management personnel.

**h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

We are not a federated organisation.

There are no relationships with related parties and any other charities/companies/organisations with which it cooperates in the pursuit of charitable activities.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Objectives and Activities**

**a. OBJECTS AND AIMS**

Our Mission Statement is:

"One building, one school, one voice, one vision"

- Inspire: We inspire your child to enjoy and succeed throughout their learning journey.  
Explore: We enable your child to meet exciting opportunities, be part of the shared adventure and have the confidence to try something new.  
Nurture: We generate an environment where emotional support is essential, allowing your child to achieve their full potential.

"One foundation, one community, one journey, one goal ... Learning is a habit for Life!"

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

Teaching, Learning and Assessment

1. To carry out moderation with other local schools
2. To provide more opportunities for problem solving in Maths (Ofsted Target)
3. To ensure the calculation policy is applied consistently.
4. To apply the use of White Rose Maths Hub resources
5. To re-emphasise the importance of Times Tables across the school.
6. To improve the use of ICT across the school.
7. To provide more opportunities to use SPAG skills in extended writing
8. To embed the changes to Homework Policy and Practice.
9. To continue to improve pupils' spelling and exploring other ways of teaching spelling.
10. To develop extended writing opportunities across the curriculum.
11. To embed the use of whole class reading in Year 3/4
12. To update PSHE teaching and ensure it is engaging and encouraging children to apply the 5Rs

Personal Development, Behaviour and Welfare

1. To ensure greater knowledge of different faiths.
2. To introduce and establish the use of the 5Rs, the new Code of Conduct, new Mission Statement, the use of the new Planners and the new reward system.

Leadership and Management

1. To provide training activities for Governors. (Ofsted Target)
2. To provide support for our Aulum Student and our Newly Qualified Teacher (NQT) during 17/18.
3. To feedback the overall findings and specific impact of the 3-year Erasmus+ 'Managing for @ School of Success' Project.

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**GOVERNORS' REPORT (continued)**  
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Outcomes for Pupils

1. To encourage greater 'reading for pleasure', through working with other schools in other countries (Erasmus+ project)
2. To introduce setting in Y3/4 Maths, to encourage more focussed teaching on Year Group objectives.
3. To carefully and regularly monitor the progress and attainment of children undertaking the Year 4 Curriculum; particularly Maths, Writing and SpaG.

Engagement with families and community

1. To embed the usage of different forms of communication with parents – Twitter, email, Facebook, letters, website.
2. To introduce and establish the use of local Community projects which children can get involved in.
3. To continually raise the profile of the school through the use of all forms of local publicity.
4. To continually seek ways to reduce costs, improve efficiency and raise funds through activities such as hiring out school facilities.

OFSTED Targets: (March 2017)

Leaders and those responsible for governance should ensure that:

- All teachers provide more opportunities for pupils to develop problem-solving and reasoning skills, to ensure that they are making the progress of which they are capable in mathematics.
- Governors participate in relevant training so they are better equipped to hold senior leaders to account for their actions and the performance of the school.

OFSTED REPORT (March 2017)

- Pupil Premium funding is allocated and monitored closely. The senior leader responsible has an excellent overview of how the funding is spent on each pupil and the strong impact it is having on the Rio progress. Current assessment information provides by the school and work seen in books indicate that these pupils are making good progress in reading, writing and mathematics. Any pupils who are falling behind are identified quickly, and given the help they need.
- The teaching of science is a strength. Work seen in books shows that pupils are developing their knowledge and understanding in a wide range of scientific topics. Pupils have many opportunities to make predictions and carry out investigations.
- You have ensured that teachers are checking the consistency of their assessment of pupils' work every term. You are aware of the importance of also undertaking this moderation process with other schools, to make sure that the assessments teachers make are accurate.
- Teaching assistants are generally deployed well across the school. They support pupils of all abilities in a wide range of subjects. Consequently, pupils are given the support they need to help them reach their full potential.
- Pupils enjoy the responsibility of being elected to the school council and becoming house captains, others become junior road safety officers and lead safety assemblies.
- Pupils enjoy the wide range of extra-curricular clubs that are on offer.
- Parents are kept well informed of the school and its work through its website, frequent letters, newsletters, Twitter and Facebook. Parents receive detailed end-of-year reports that outline pupils' attainment and progress and give targets for future improvement.
- Parents with whom I spoke before schools and those that responded to the Ofsted questionnaire, are overwhelmingly supportive of the school. They say that children are safe, happy and are making good progress. One parent told me, 'I have found this school to be first class.'

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**GOVERNORS' REPORT (continued)**  
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**Strategic report**

**a. ACHIEVEMENTS AND PERFORMANCE**

This is a 'good' academy; as graded by OFSTED in March 2017. It is one in which attainment is above average and all groups of pupils achieve well. Pupils enjoy coming to the academy and benefit from an attractive, welcoming and supportive learning environment.

OFSTED's summary stated that:

- The leadership team has maintained the good quality of education in the school since the last inspection. You have implemented robust policies and procedures that have enabled you to examine different aspects of the School and its provision in detail. You are thorough in the analysis of the school's strengths and areas for development. As a result, your self-evaluation is accurate and your plans for school improvement are clear and concise.
- The school has a warm and welcoming atmosphere where pupils work hard and make good progress in a variety of subjects. Relationships between staff and pupils are strong. Pupils told me that they are happy at the school and feel safe, both inside and outside when playing on the playground. You and the other staff have helped to create a culture where 'learning is a habit for life'.
- The senior leaders responsible for English has recently introduced an approach to guided reading that aims to improve pupils' vocabulary and comprehension skills. This has been successful and assessment information provided by the school indicates that the vast majority of pupils are on track to reach age-related standards in reading by the end of this academic year.

**Achievements and Performance**

We are proud of all the achievements of each one of our pupils and staff. In particular, we offer our congratulations for the following:

**International Links:**

We are very proud of the variety of activities we do, working in collaboration with schools in other parts of the world; usually as part of Erasmus+ projects. Previous projects have included joint activities with schools in China, Bangladesh, Poland and Guadeloupe. Most recently the Headteacher has successfully participated in a 3-year project looking at leadership and management. This was working with staff in Poland, Portugal, Italy, Spain and the Netherlands. A very successful 2-year writing project working with staff and schools in Poland, Sicily and Guadeloupe has now ended and we are currently half way through a 2-year reading project, working with staff and schools in Spain and Poland.

**Environment:**

We are very pleased with our recent developments to the outdoor environment of the school – we are now the proud owners of a very fertile vegetable patch and robust greenhouse. Many children have been involved in growing vegetables, which were then put out on a pop-up shop on the school perimeter fence during the summer holidays, where the local community could 'purchase' for a donation. We may well be involved in an environmental project, working with local schools and schools in Morocco, in the next few years. We are also currently looking for suitable 'green' awards that we may be able to achieve.

**Sport:**

The football and netball teams have competed in local leagues and sports festivals, playing against children from other schools. In recognition of the excellent range of sport and other physical activity available at the academy, it was awarded the Active Mark in 2009 and we are always looking for new achievements to secure, as we believe the range of excellent sporting activities we offer is a success of the school.



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**GOVERNORS' REPORT (continued)**  
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**Dance, Drama, Music and Filming:**

Our Creative Arts activities have involved the children in a range of competitive and non-competitive events. Every year some of our pupils enter the Lincoln Music and Drama Festival as part of a band, a choir or a drama group; and we have several trophies and certificates to show how well we have done! We regularly hold concerts so that parents / carers can see just how talented we are! The quality of the Arts provision in the Academy has led to us being awarded the Arts Mark Gold in 2009 and again in 2012.

All children learn how to use animation software and in previous years, we entered the LAFTAs, (Lincolnshire School Films Award). In 2009, several films were nominated for the LAFTAs and in 2010, one of our films won an award for 'best in category' and 'best film overall'. In 2011 three of our films were nominated and two of them won awards! Our 2014 film entries won us a free visit to RAF Cosford, for the whole of our Year 6 cohort! Another of our 2014 entries was nominated for an award at the 2015 LAFTAs. As the LAFTAs has now ceased, we are always looking for ways in which we can showcase the children's IT skills but particularly their animation skills.

**Other Awards:**

As a culmination of many activities and events over the years, the Academy has been awarded the Healthy Schools Award in 2009, the 'Food for Life' Bronze Award in 2011 and the Eco Schools Bronze Award in 2010.

**Working with the Community:**

The children love to support the community, be it locally - with school and community events; or nationally – by supporting national charities etc. Many activities take place within the school, to promote the children's awareness of the international community, of which they are a valuable member, and as such the school was awarded the Full International School's Award (Foundation Level) in 2011, 2014 and again in 2017. We are very proud of the superb international work that the children and staff of Branston Juniors get involved in.

**a. KEY PERFORMANCE INDICATORS**

The governors are pleased to present achievement and performance context and outcomes in all aspects of school provision.

Attendance for the year

Attendance	96.37%
Authorised Absences	3.49%
Unauthorised Absences	0.14%

**PUPIL PROVISION**

Total pupils in the year to 31st August 2018 is

<b>Teacher</b>	<b>Year Group</b>	<b>Number in Year Group</b>
Miss Kisby	Y5/6	Year 6: 37
Miss Perkins	Y5/6	Year 5: 36
Mrs Simpson / Mrs James	Y3/4	Year 4: 44
Mr Simpson	Y3/4	Year 3: 36
Miss Gethings	Y3/4	

**Academic results / SATs results for 2018**

Our Year 6 pupils take part in the National SATs tests for Reading, Maths and SPAG (Spelling, Punctuation and Grammar), every year. The children's writing is also assessed by their Class Teachers and in 2016 (and previously in 2012) these assessments were officially moderated as per usual guidelines.

In 2016 the new SATs tests were introduced, which means that children's attainment is no longer measured per levels. The children are now given a 'scaled score' for Reading, Maths and SPAG, which correlates with their raw score. A scaled score of 100 or above is classed as 'age expected'. A scaled score of below 100 means the child

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**GOVERNORS' REPORT (continued)**  
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has not achieved 'age expected'.

The average scaled score of our reading was 103, compared to the national figure of 103. Our average scaled score for Maths was 105, compared to national of 103 and our average scaled score for SPAG was 105, compared to national of 104.

For 2018, the percentage of children achieving age expected is:

<b>Subject</b>	<b>Branston Junior Academy</b>	<b>National</b>
Reading, Writing & Maths combined	78%	64%
Reading	92%	75%
Writing	78%	78%
Maths	92%	76%
Spelling, Punctuation & Grammar (SPaG)	86%	78%

**b. GOING CONCERN**

After making appropriate enquires, the governors have 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.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Financial review**

**a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Financial report for the period

The majority of the Academy's income is from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31st August 2018 and the associated expenditure are shown in the statement of financial activities.

At 31st August 2018, the net book value of fixed assets was £1,490,455. The assets were used exclusively for providing education and the associated services to the students of the Academy.

Financial position

The Academy held fund balances at 31st August 2018 of £1,414,632, comprising £147,283 of restricted funds, a pension reserve deficit of £310,000, £86,894 of unrestricted general funds and £1,490,455 in a fixed asset fund.

Funds in deficit

The Academy's non-teaching staff is entitled to membership of the Local Government Pension Scheme. The Academy's share of the scheme assets is currently assessed to be less than its liabilities in the scheme and consequently the Academy's balance sheet shows a net liability of £310,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

**b. RESERVES POLICY**

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the trustees discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The trustees 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 trustees have determined that the appropriate level of free reserves should be equivalent to 1 months' expenditure, approximately £100,000. 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 Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £234,177, which is more than is needed. The Academy expect to continue to hold the free reserves to the level needed.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £147,283.

**c. INVESTMENT POLICY**

The school holds no investments other than its capital balance.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**d. PRINCIPAL RISKS AND UNCERTAINTIES**

The following "risk areas" are identified by the governors as follows:-

Health and Safety Policy  
Fire Safety  
Disability access  
Critical Incident Policy/Management Plan  
Whistleblowing Policy  
Behaviour and Anti-bullying Policy  
Educational Visits Policy  
Finance Policy  
Safeguarding Policy  
Child Protection Policy  
First Aid

These areas of risk are regularly reviewed by all relevant staff, the senior management team, the governing body and by both the Standards Committee and Resources Committee. Any changes to risk policies must be approved by governors and signed off.

The Safeguarding and Child Protection Policy, and both the fire safety and first aid risks require full training certification.

The following finance policies and registers were adopted by the Academy this year. They are in place and available, and are reviewed annually:

- Register of business interests register
- Best value statement
- Charging and remissions policy
- Financial procedures
- Whistle blowing policy
- Five year finance model
- School Development Plan
- Statement of internal control

The trustees ensure that the school completes a full five year plan and models future expenditure and pupil numbers. Budgets are ratified by the full governing body annually. All finance discussions are fully documented and minutes sent to all trustees and governors. The trust has been without a Responsible Officer for the 2017/18 period, but is actively looking for one. Our accountants (Streets) have regularly visited the school and undertaken checks. A full external audit is also carried out by Streets.

The principal financial risks to the trust, comprises sudden change in expected pupil numbers (ESFA GAG Income), cash and short term deposits, increase in bought back services, energy costs, reducing LACSEG payments, company failure debt and inappropriate behaviour outside agreed procedures.

The trust does not use any funding streams for speculative purposes

**Risk Management**

The trust makes every reasonable effort to anticipate changes in the patterns of pupil numbers, making forward predictions from Year 3 upwards and Reception to Year 2 in conjunction with Branston Infant School.

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**GOVERNORS' REPORT (continued)**  
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Capital management/Liquidity risks

The Trust Resources Committee reviews the schools on-going liquidity risks annually as part of the planning process and on an ad hoc basis. The committee considers short-term requirements against available sources of funding taking into account forecast cash flow.

Monthly reconciliation of bank statements by the School Administrator ensures that liquidity risks are known and can be accepted.

The trust has selected a current account with deposition account which offers 0.375% per annum return.

Credit Risk

Currently the academy does not enter into credit agreements. The Headteacher, Deputy and International Lead hold credit cards for use with Barclays Bank. Two photocopiers are leased, as are the 2 drinking water stations and hygiene services for the pupils' toilets.

Debt risk

This is extremely low. When the debt is deemed irrecoverable, the allowance account is written off against the underlying receivable.

Other financial assets and cash balances on site

The trust may hold significant cash balances as part of its normal operations, with the amount of cash held at any point reflecting the level of cash flow generated by the school. Banking occurs when large intakes for visits, trips or collections; hot school meal orders and sale of school sweatshirts, rucksacks and water bottles have been received and insurance cover determines what balances may be securely held in school.

Acute Energy Costs and poor weather

The trust purchases oil via ESPO contracted supplier, the scale of their purchases ensures that they are the most competitive rates available and their environmental policies ensure that the sources are ethical. Cold winters have a considerable effect on the costs and as electricity costs have increased the academy has used an agent to source the best tariff on a fixed term basis with effect from October 2013 and continues to fixed terms.

Capital assets

The building is well maintained and the Head Teacher and the governor responsible for Health & Safety inspects and reports regularly to the trustees. The Caretaker reports directly to the head teacher on maintenance issues which in turn are reported termly to trustees/governors. The academy purchases the Property Services buy back to support statutory regulations. The trust purchases advice and support through Judicium on policies and issues with regard to Health & Safety.

Theft, vandalism and fire

The academy has comprehensive insurance against fire, vandalism and theft. Access control and well maintained fencing ensures the sites security to a good standard. The academy contract Static Services to act as key holder and attend site after school hours if the alarm is triggered.

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**GOVERNORS' REPORT (continued)**  
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Key Financial Performance Indicators Statement

The governors look to minimise and ensure good value for money by competitive tendering and "best value" ordering processes. The funding allocated by the DfE through General Aggregated Grant or Local Authority CSE Grant is intended for expenditure in keeping with the school key objectives. We deliver education and beyond ensuring that performance is a non-profit organisation.

**Fundraising**

Fundraising

The trust organizes various fundraising events over an academic year. These range from discos and quizzes just for the children, to family events such as the Christmas Fair. Some of these events are run by the staff at the trust, others require the use of parental and local community volunteers. Previously the school had a PTA group, but on becoming an academy in 2012, this group was disbanded. Plans have been drawn up in 17/18, to start a support group of parental volunteers to help organize fundraising events, which will be known as 'the Branston Buddies'. This group will not hold a separate bank account. All money raised will be put into School Fund and used to support the children for all the 'little extras' that a budget cannot stretch to, such as being able to offset the cost of school visits, purchasing extra resources or paying for special events/visitors to the school.

The trust continues to hire out the hall to community groups, thus raising income to support the delegated budget.

In preparation for the formation of the 'Branston Buddies', the 'Extra-Curricular Use of School Facilities Policy' was amended to include a section on the procedures that the Branston Buddies will follow when raising funds and subsequently working with the Business manager to ensure accurate reporting of costs. During 18/19 funds raised will be reported to the Governing Body.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Teaching, Learning and Assessment

1. Work collaboratively with staff from Branston Community Academy (BCA) to examine and develop Y6-Y7 transition.
2. Introduce and develop 'Planning for Progression' in Math reasoning and problem solving.
3. Refresh the resources for the reading scheme, to enable better progression.
4. Develop the use of 'Edit Stations' throughout the school, to continue to raise standards in writing.
5. Develop staff skills, knowledge and understanding in IT programming.
6. Continue to explore and develop the effective use of 'Outdoor Learning'
7. Consider the use of 'no written marking'
8. Start the process of recording the 'intent', 'implementation' and 'impact' of our curriculum (Completion of this target may take the duration of the 4 year cycle)
9. Review understanding of 'age expected' for each year group and ensure consistency in criteria for each summative judgement.

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**GOVERNORS' REPORT (continued)**  
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Personal Development, Behaviour and Welfare

1. Continue to embed the 5Rs in all aspects of school life. Develop the leadership of the 5Rs so that individual teachers have specific related projects to work on.
2. Develop a more strategic approach to the planning of PE Premium expenditure, which includes measuring impact.
3. Explore all aspects of the 2014 Equality Act and the new RSE Statutory Guidance; to ensure that we will be compliant by September 2019.
4. Explore the use of a morning 'Nurture' Group (for invited pupils); to be funded through Pupil Premium expenditure.
5. Develop effective behaviour management strategies for lunchtimes; that correspond with the 5Rs/
6. Introduce and develop the effective use of 'emotional check-in' in all classrooms.
7. Endeavour to complete the 'Pets As Therapy' training with 'Daisy', to provide emotional support for the children.

Leadership and Management

1. Develop an effective Governing Body, in light of new Governors starting. Ensure effective use of roles, time and effort.
2. Work collaboratively with Branston Community Academy to:
  - a. Reduce costs
  - b. Increase efficiencies
  - c. Share expertise and/or resources
3. Continue to complete items on GDPR Action Plant, to ensure compliance. Continue to follow all ongoing aspects of GDPR.

Outcomes for Pupils

1. Encourage greater 'reading for pleasure' through working with staff and pupils in other countries. (Erasmus+ 'Dream a little dream' Project)
2. Explore the possibilities and logistics of hosting international student visitors.
3. Explore the possibilities and logistics of organising international visits for BJA pupils.
4. Explore the possibilities and logistics of other international-related activities (eg; language classes, other collaborative activities)
5. Continue to develop the 'World of Work' initiative set up previously, to inspire the current pupils to think about their futures.

Engagement with Families and Community

1. Set up a functioning and effective 'Branston Buddies' fundraising group.
2. Work collaboratively with Branston Community Academy (BCA) and Branston Infant School (BIS) on a WW1 Community Project
3. Seek further opportunities for the pupils and staff of BJA to carry out activities which benefit the local community.
4. Introduce and develop the effective use of the Integris Parental Hub, as a form of communication with parents.
5. Examine current school website and make amendments as appropriate.

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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**FUNDS HELD AS CUSTODIAN**

The academy holds no funds as Custodian Trustee on behalf of others.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 4 December 2018 and signed on its behalf by:

**Dr J Winn**  
**Chair of Governors**





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**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Branston Junior Academy 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 8 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
L Street	1	1
L Perkins	7	8
A Kisby	7	8
M Pursey	5	8
J Whitehouse	7	8
R Shaw	6	8
R Openshaw, Chair of Governors (until 04/10/2017)	3	8
S Hewkin	1	4
Dr J Winn, Chair of Governors (from 04/10/2017)	8	8
V Shipley	8	8
C Gray	2	2
L Cook	2	2
A Bailey	2	2

**Governance reviews:**

- The trustees carried out continuous monitoring and self-evaluation on itself.
- New governors received inductions with ongoing training through the year.
- Internal pupil data and Y6 SATs was analysed and reviewed
- The SEaSIP was reviewed on a regular basis.
- The Chair of Governors attends Lincolnshire Learning Partnership meetings and shares information with other governors, he also registered the school for government-sponsored training with 'GovernorSpace', which is due to start in November 2018.

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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Head Teacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Tasking the Business manager to examine all contracts, to ensure best value. Where reductions in costs could be made, these were presented to the Governing Body, who then made decisions as to changing the contracts or not.
- Continuing to explore ways in which funds can be saved and new funds raised, through a variety of activities.
- The 5 Year Plan was examined and discussions held as to how to prepare for a reduction in future finances due to predicted lower numbers of pupils, which is improving due to housing developments in the area.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Branston Junior Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to continue to task Mr Rick Openshaw, (Governor) to oversee reports prior to each meeting
- to use the services Streets accountants to undertake bank reconciliations and support the work of the SBM to prepare reports and oversee the accounts.

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

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

**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the board of Governors on 4 December 2018 and signed on their behalf, by:

**Dr J Winn**  
**Chair of Governors**



**Mrs R Shaw**  
**Accounting Officer**



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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Branston Junior Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



**Mrs R Shaw**  
**Accounting Officer**

Date: 04/12/2018

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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors (who act as trustees of Branston Junior Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 4 December 2018 and signed on its behalf by:

**Dr J Winn**  
**Chair of Trustees**



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**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRANSTON JUNIOR ACADEMY**

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**OPINION**

We have audited the financial statements of Branston Junior Academy (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRANSTON JUNIOR ACADEMY**

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**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRANSTON JUNIOR ACADEMY**

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concern basis of accounting unless the Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**USE OF OUR REPORT**

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



Linda Lord (Senior Statutory Auditor)

for and on behalf of

**Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

Tower House  
Lucy Tower Street  
Lincoln  
Lincolnshire  
LN1 1XW

Date: 10 December 2018



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**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRANSTON JUNIOR ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 8 June 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Branston Junior Academy during the year 1 September 2017 to 31 August 2018 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 Branston Junior Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Branston Junior Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Branston Junior Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BRANSTON JUNIOR ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Branston Junior Academy's funding agreement with the Secretary of State for Education dated 5 July 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRANSTON JUNIOR ACADEMY AND THE EDUCATION & SKILLS 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Linda Lord

**Streets Audit LLP**

Chartered Accountants  
Statutory Auditors

Tower House  
Lucy Tower Street  
Lincoln  
Lincolnshire  
LN1 1XW

Date: 10 December 2018

**BRANSTON JUNIOR ACADEMY**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	17,386	2,064	5,564	25,014	17,177
Charitable activities	3	-	615,904	-	615,904	647,130
Other trading activities	4	12,468	9,637	-	22,105	21,991
Investments	5	130	-	-	130	162
<b>TOTAL INCOME</b>		<b>29,984</b>	<b>627,605</b>	<b>5,564</b>	<b>663,153</b>	<b>686,460</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		19,997	662,919	42,618	725,534	729,967
<b>TOTAL EXPENDITURE</b>	6	<b>19,997</b>	<b>662,919</b>	<b>42,618</b>	<b>725,534</b>	<b>729,967</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	15	9,987	(35,314)	(37,054)	(62,381)	(43,507)
		-	(8,087)	8,087	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		9,987	(43,401)	(28,967)	(62,381)	(43,507)
Actuarial gains on defined benefit pension schemes	19	-	52,000	-	52,000	92,000
<b>NET MOVEMENT IN FUNDS</b>		<b>9,987</b>	<b>8,599</b>	<b>(28,967)</b>	<b>(10,381)</b>	<b>48,493</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		76,907	(171,316)	1,519,422	1,425,013	1,376,520
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>86,894</b>	<b>(162,717)</b>	<b>1,490,455</b>	<b>1,414,632</b>	<b>1,425,013</b>

The notes on pages 28 to 48 form part of these financial statements.

**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08131708**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	11		1,490,455		1,519,422
<b>CURRENT ASSETS</b>					
Stocks	12	2,199		736	
Debtors	13	44,650		35,925	
Cash at bank and in hand		244,545		265,329	
		<u>291,394</u>		<u>301,990</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(57,217)		(51,399)	
<b>NET CURRENT ASSETS</b>			<u>234,177</u>		<u>250,591</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,724,632</u>		<u>1,770,013</u>
Defined benefit pension scheme liability	19		(310,000)		(345,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,414,632</u></u>		<u><u>1,425,013</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	147,283		173,684	
Restricted fixed asset funds	15	1,490,455		1,519,422	
Restricted income funds excluding pension liability		<u>1,637,738</u>		<u>1,693,106</u>	
Pension reserve		(310,000)		(345,000)	
Total restricted income funds			<u>1,327,738</u>		<u>1,348,106</u>
Unrestricted income funds	15		<u>86,894</u>		<u>76,907</u>
<b>TOTAL FUNDS</b>			<u><u>1,414,632</u></u>		<u><u>1,425,013</u></u>

The financial statements on pages 25 to 48 were approved by the Governors, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

Dr J Winn  
Chair of Governors



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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	17	<u>(12,827)</u>	<u>19,957</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		130	162
Purchase of tangible fixed assets		(13,651)	(15,094)
Capital grants from DfE Group		5,564	5,575
<b>Net cash used in investing activities</b>		<u>(7,957)</u>	<u>(9,357)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(20,784)</b>	<b>10,600</b>
Cash and cash equivalents brought forward		<u>265,329</u>	<u>254,729</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>244,545</u></u>	<u><u>265,329</u></u>

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**BRANSTON JUNIOR ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling, which is the functional currency of the academy.

Branston Junior Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

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**BRANSTON JUNIOR ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line
Furniture and fixtures	-	25% straight line
Plant and equipment	-	33% straight line

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

**1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 Debtors**

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

**1.8 Cash at Bank and in hand**

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



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**1. ACCOUNTING POLICIES (continued)**

**1.9 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 Operating leases**

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

**1.11 Taxation**

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

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.13 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

**1.15 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	17,386	2,064	-	19,450	11,603
Capital grants	-	-	5,564	5,564	5,574
	<u>17,386</u>	<u>2,064</u>	<u>5,564</u>	<u>25,014</u>	<u>17,177</u>
<i>Total 2017</i>	<u>11,603</u>	<u>-</u>	<u>5,574</u>	<u>17,177</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	546,760	546,760	558,406
Pupil Premium	-	49,104	49,104	47,981
Other DfE/ESFA Grants	-	17,790	17,790	8,700
Local Authority Grants	-	2,250	2,250	24,281
Special Educational Projects	-	-	-	7,762
	<u>-</u>	<u>615,904</u>	<u>615,904</u>	<u>647,130</u>
<i>Total 2017</i>	<u>-</u>	<u>647,130</u>	<u>647,130</u>	

**BRANSTON JUNIOR ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	688	-	688	1,000
Catering income	-	9,637	9,637	7,464
Sale of goods	1,803	-	1,803	1,537
Other income	9,977	-	9,977	11,990
	<u>12,468</u>	<u>9,637</u>	<u>22,105</u>	<u>21,991</u>
<i>Total 2017</i>	<u>14,527</u>	<u>7,464</u>	<u>21,991</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	130	-	130	162
<i>Total 2017</i>	<u>162</u>	<u>-</u>	<u>162</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	431,141	-	40,312	471,453	473,264
Support costs	72,688	55,622	125,771	254,081	256,703
	<u>503,829</u>	<u>55,622</u>	<u>166,083</u>	<u>725,534</u>	<u>729,967</u>
<i>Total 2017</i>	<u>522,477</u>	<u>51,838</u>	<u>155,652</u>	<u>729,967</u>	

**BRANSTON JUNIOR ACADEMY**  
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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	337,906	348,769
National insurance	28,029	27,404
Pension cost	65,206	60,605
Educational supplies	22,011	20,641
Staff development	2,108	2,227
Educational services	11,883	5,550
Other costs	4,310	8,068
	<u>471,453</u>	<u>473,264</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	52,290	53,935
National insurance	2,472	3,274
Pension cost	17,926	28,490
Depreciation	42,618	39,715
Pension income	8,000	8,000
Technology costs	9,685	12,328
Maintenance of premises and equipment	17,571	9,699
Cleaning	16,106	15,707
Rent and rates	4,589	3,319
Energy costs	10,857	9,297
Insurance	14,377	19,390
Operating Leases	7,546	7,273
Catering	16,909	9,831
Other costs	10,791	9,381
Other staff costs	2,488	8,605
Professional fees and services	19,856	18,459
	<u>254,081</u>	<u>256,703</u>
	<u><u>725,534</u></u>	<u><u>729,967</u></u>

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**8. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	382,401	398,191
Social security costs	30,501	30,678
Operating costs of defined benefit pension schemes	83,132	89,095
	496,034	517,964
Agency staff costs	7,795	4,513
	503,829	522,477

**b. Staff numbers**

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

	2018	2017
Teachers	9	8
Admin and Support	13	13
Management	1	1
	23	22

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

**c. Key management personnel**

(d) Key Management Personnel

The key management personnel of the charity comprises the governors and senior management team (including the school business manager) as listed on page 1. The total amount of employee benefits (including pension contributions but excluding employers NIC) received by management personnel was 2018: £178,811 (2017: £185,074).

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**BRANSTON JUNIOR ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. GOVERNORS' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
Mrs R Shaw	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs J Whitehouse	Remuneration	20,000-25,000	25,000-30,000
	Pension contributions paid	0-5,000	5,000-10,000
Miss A Kisby	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Miss L Perkins	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, expenses totalling £186 were reimbursed to 2 Governors (2017 - £216 to 3 Governors).

**10. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the scheme.



**BRANSTON JUNIOR ACADEMY**  
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**11. TANGIBLE FIXED ASSETS**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	1,625,000	38,185	24,226	1,687,411
Additions	-	13,651	-	13,651
At 31 August 2018	<u>1,625,000</u>	<u>51,836</u>	<u>24,226</u>	<u>1,701,062</u>
<b>Depreciation</b>				
At 1 September 2017	127,800	22,794	17,395	167,989
Charge for the year	28,400	10,789	3,429	42,618
At 31 August 2018	<u>156,200</u>	<u>33,583</u>	<u>20,824</u>	<u>210,607</u>
<b>Net book value</b>				
At 31 August 2018	<u>1,468,800</u>	<u>18,253</u>	<u>3,402</u>	<u>1,490,455</u>
At 31 August 2017	<u>1,497,200</u>	<u>15,391</u>	<u>6,831</u>	<u>1,519,422</u>

Included in long leasehold property is leasehold land at valuation of £205,000 (2017: £205,000) which is not depreciated.

**12. STOCKS**

	2018 £	2017 £
Finished goods and goods for resale	<u>2,199</u>	<u>736</u>

**13. DEBTORS**

	2018 £	2017 £
Trade debtors	-	341
VAT Debtor	7,923	2,964
Other debtors	5,977	-
Prepayments and accrued income	18,279	24,666
Grants Receivable	12,471	7,954
	<u>44,650</u>	<u>35,925</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. CREDITORS: Amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	13,353	17,569
Other creditors	19,136	19,224
Accruals and deferred income	24,728	14,606
	<u>57,217</u>	<u>51,399</u>

**15. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	76,907	29,984	(19,997)	-	-	86,894
	<u>76,907</u>	<u>29,984</u>	<u>(19,997)</u>	<u>-</u>	<u>-</u>	<u>86,894</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	157,139	546,760	(560,799)	(8,087)	-	135,013
Other ESFA/DFE	7,857	66,894	(66,244)	-	-	8,507
Government grant	-	2,250	(2,250)	-	-	-
Other income	8,688	11,701	(16,626)	-	-	3,763
Pension reserve	(345,000)	-	(17,000)	-	52,000	(310,000)
	<u>(171,316)</u>	<u>627,605</u>	<u>(662,919)</u>	<u>(8,087)</u>	<u>52,000</u>	<u>(162,717)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	1,519,422	5,564	(42,618)	8,087	-	1,490,455
Total restricted funds	<u>1,348,106</u>	<u>633,169</u>	<u>(705,537)</u>	<u>-</u>	<u>52,000</u>	<u>1,327,738</u>
Total of funds	<u>1,425,013</u>	<u>663,153</u>	<u>(725,534)</u>	<u>-</u>	<u>52,000</u>	<u>1,414,632</u>

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

**Unrestricted funds:**

General funds - those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These have not been designated for particular purposes.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. STATEMENT OF FUNDS (continued)**

**Restricted funds:**

General Annual Grant (GAG) - made up of a number of different funding streams from the ESFA, all of which are to be used to cover the running costs of the academy.

Other ESFA grants - represent ESFA grants received for specific purposes. Included in other ESFA grants is, pupil premium income and grants received for PE & Sports.

Other Government Grants - represents grants from other government bodies that are received for specific purposes.

Other restricted funds - represent other income received which must be used for specific purposes.

Pension reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

**Restricted fixed asset funds:**

Purchased tangible fixed assets - represents the net book value of fixed assets acquired using GAG income, local authority grants and DFC grants from the ESFA.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
<b>General funds</b>						
General Funds	64,109	26,292	(13,494)	-	-	76,907
<b>Restricted funds</b>						
General Annual Grant (GAG)	145,138	558,406	(531,929)	(14,476)	-	157,139
Other ESFA/DFE	7,857	56,681	(56,681)	-	-	7,857
Other income	24,755	39,507	(55,574)	-	-	8,688
Pension reserve	(410,000)	-	(27,000)	-	92,000	(345,000)
	<u>(232,250)</u>	<u>654,594</u>	<u>(671,184)</u>	<u>(14,476)</u>	<u>92,000</u>	<u>(171,316)</u>

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**15. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Restricted fixed asset funds	1,544,661	-	(39,715)	14,476	-	1,519,422
Restricted Fixed Asset Fund	-	5,574	(5,574)	-	-	-
	<u>1,544,661</u>	<u>5,574</u>	<u>(45,289)</u>	<u>14,476</u>	<u>-</u>	<u>1,519,422</u>
Total restricted funds	<u>1,312,411</u>	<u>660,168</u>	<u>(716,473)</u>	<u>-</u>	<u>92,000</u>	<u>1,348,106</u>
Total of funds	<u>1,376,520</u>	<u>686,460</u>	<u>(729,967)</u>	<u>-</u>	<u>92,000</u>	<u>1,425,013</u>

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	64,109	56,276	(33,491)	-	-	86,894
<b>Restricted funds</b>						
General Annual Grant (GAG)	145,138	1,105,166	(1,092,728)	(22,563)	-	135,013
Other ESFA/DFE	7,857	123,575	(122,925)	-	-	8,507
Government grant	-	2,250	(2,250)	-	-	-
Other income	24,755	51,208	(72,200)	-	-	3,763
Pension reserve	(410,000)	-	(44,000)	-	144,000	(310,000)
	<u>(232,250)</u>	<u>1,282,199</u>	<u>(1,334,103)</u>	<u>(22,563)</u>	<u>144,000</u>	<u>(162,717)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	1,544,661	-	(39,715)	14,476	-	1,519,422
Restricted Fixed Asset Fund	-	11,138	(48,192)	8,087	-	(28,967)
	<u>1,544,661</u>	<u>11,138</u>	<u>(87,907)</u>	<u>22,563</u>	<u>-</u>	<u>1,490,455</u>
	<u>1,312,411</u>	<u>1,293,337</u>	<u>(1,422,010)</u>	<u>-</u>	<u>144,000</u>	<u>1,327,738</u>
Total of funds	<u>1,376,520</u>	<u>1,349,613</u>	<u>(1,455,501)</u>	<u>-</u>	<u>144,000</u>	<u>1,414,632</u>

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**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,490,455	1,490,455
Current assets	85,099	206,295	-	291,394
Creditors due within one year	(3,972)	(53,245)	-	(57,217)
Provisions for liabilities and charges	-	(310,000)	-	(310,000)
	<u>86,894</u>	<u>(162,717)</u>	<u>1,490,455</u>	<u>1,414,632</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,519,422	1,519,422
Current assets	76,907	225,083	-	301,990
Creditors due within one year	-	(51,399)	-	(51,399)
Provisions for liabilities and charges	-	(345,000)	-	(345,000)
	<u>76,907</u>	<u>(171,316)</u>	<u>1,519,422</u>	<u>1,425,013</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(62,381)	(43,507)
<b>Adjustment for:</b>		
Depreciation charges	42,618	39,715
Dividends, interest and rents from investments	(130)	(162)
Loss on the sale of fixed assets	-	618
(Increase)/decrease in stocks	(1,463)	204
Increase in debtors	(8,723)	(8,664)
Increase in creditors	5,816	10,328
Capital grants from DfE and other capital income	(5,564)	(5,575)
Defined benefit pension scheme cost less contributions payable	9,000	19,000
Defined benefit pension scheme finance cost	8,000	8,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(12,827)</u>	<u>19,957</u>

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**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018	2017
	£	£
Cash in hand	<u>244,545</u>	<u>265,329</u>
Total	<u><u>244,545</u></u>	<u><u>265,329</u></u>

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**19. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £43,000. (2017 - £43,000).

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**19. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £25,000 (2017 - £26,000), of which employer's contributions totalled £19,000 (2017 - £22,000) and employees' contributions totalled £6,000 (2017 - £6,000). The agreed contribution rates for future years are 19.2% for employers and various% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.40 %
Rate of increase in salaries	2.80 %	2.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.6	26.6

	At 31 August 2018	At 31 August 2017
	£	£
<b>Sensitivity analysis</b>		
Discount rate -0.5%	58,000	71,000
Salary increase +0.5%	5,000	23,000
Pension increase +0.5%	53,000	46,000



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**19. PENSION COMMITMENTS (continued)**

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	264,000	254,000
Gilts	54,000	39,000
Property	40,000	29,000
Cash and other liquid assets	4,000	3,000
Total market value of assets	<u>362,000</u>	<u>325,000</u>

The actual return on scheme assets was £26,000 (2017 - £49,000).

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

	2018 £	2017 £
Current service cost	(40,000)	(41,000)
Interest income	8,000	6,000
Interest cost	(16,000)	(14,000)
Total	<u>(48,000)</u>	<u>(49,000)</u>
Actual return on scheme assets	<u>26,000</u>	<u>49,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	670,000	692,000
Current service cost	40,000	41,000
Interest cost	16,000	14,000
Employee contributions	6,000	6,000
Actuarial gains	(34,000)	(49,000)
Benefits paid	(26,000)	(34,000)
Closing defined benefit obligation	<u>672,000</u>	<u>670,000</u>

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**19. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	325,000	282,000
Interest income	8,000	6,000
Actuarial gains	18,000	43,000
Employer contributions	31,000	22,000
Employee contributions	6,000	6,000
Benefits paid	(26,000)	(34,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>362,000</u>	<u>325,000</u>

**20. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	8,879	7,296
Between 1 and 5 years	18,399	21,471
	<hr/>	<hr/>
Total	<u>27,278</u>	<u>28,767</u>

**21. MEMBERS' LIABILITY**

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

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 9.