

Registered number: 09065312

Smith's Wood Primary Academy Limited

Trustees' report and financial statements

For the year ended 31 August 2018



Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditors' report on the financial statements	23 - 25
Independent reporting accountant's assurance report on regularity	26 - 27
Statement of financial activities incorporating income and expenditure account	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31 - 54

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Reference and administrative details
For the year ended 31 August 2018

Members	D Givens S Volante
Trustees	N Henderson*, (Chair of Trustees) Rev S Carter^ J Talbot^*, (Principal) I Batigan* I Campbell* M Thompson*^ C Lees^ V Hudson*^ S Boyd*^ (resigned 15 April 2018) S Morris^ C Herbert^ A Mills*^ (appointed 11 May 2018) *members of the Finance Committee ^members of the Standards Committee
Company registered number	09065312
Company name	Smith's Wood Primary Academy Limited
Principal and registered office	Burtens Way Birmingham West Midlands B36 0SZ
Company secretary	S Volante
Senior management team	J Talbot, Principal D Givens, Deputy Principal V Hudson, Assistant Principal S Volante, School Business Manager
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Reference and administrative details of the Academy, its trustees and advisers
For the year ended 31 August 2018

Advisers (continued)

Bankers	Lloyds Bank Solihull Business Centre 355 Stratford Road Shirley Solihull West Midlands B90 2AB
Solicitors	Mills & Reeve 78-85 Colmore Row Birmingham B3 2AB

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2018

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

The trust operates an academy for students aged 3-11 serving a catchment area surrounding Smith's Wood, North Solihull. It has was originally built in 2009 for capacity of 420 and has a roll of 465 on the school census date in the summer term 2018.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Smith's Wood Primary Academy Limited are also the directors of the charitable company for the purpose of company law. The charitable company is known as Smith's Wood Primary Academy.

Details of the Trustees who served during the year 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. Trustees' indemnities

Since the incorporation of the charitable company on 2 June 2014, the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 11 to the financial statements the limit of this indemnity is £5,000,000.

d. Method of recruitment and appointment or election of Trustees

The processes for appointing or electing the various types of trustee at Smith's Wood Primary Academy Limited are as follows:

1) Co-opted Trustees

A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

The Trustees may not appoint an employee of Smith's Wood Primary Academy Limited as a Co-opted Trustee if the number of Trustees who are employed by the School (including the Head of School) would thereby exceed one third of the total number of Trustees.

2) Parent Trustees

Parent Trustees are elected by parents of registered students at the Academy. A Parent Trustee must be a parent or carer of a student at the Academy at the time of when he / she is elected. Parent Trustee vacancies are filled through an election process.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Board of

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Trustees, if the number of parents standing for election is less than the number of vacancies.

The Articles of Association require that there shall be a minimum of two Parent Trustees.

3) Staff Trustees

Up to three Staff Trustees can be elected by the school staff as individuals, representative of the staff of the school. Both teaching staff and support staff paid to work at the school are eligible for staff Trusteeship. At Smith's Wood Primary Academy Limited two Staff Trustees are elected from the teaching staff; in addition the Head of School is a Staff Trustee. The number of Staff Trustees must not exceed one third of the total number of Trustees.

4) Community Trustees

Up to six Community Trustees can be appointed by the Members of the Academy Trust.

e. Policies and procedures adopted for the induction and training of Trustees

Following their appointment/election all new Trustees receive an introduction to their role from the Chairman and Head of School. There is an opportunity to tour the school and meet the members of the Management Team. The Clerk to the Trustees provides an induction pack for all new Trustees and liaises with them to ascertain their preference in Committee membership.

The Board of Trustees at Smith's Wood Primary Academy Limited is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively. The Board of Trustees allocates an annual budget for Trustee training and collectively decides on the most appropriate training necessary. Trustees with specific roles within the Board of Trustees are strongly encouraged to undertake training as required, e.g. Finance, Budget forecasting and monitoring, Safeguarding, Child Protection and Safer Recruitment. There is a nominated Trustee who undertakes the responsibility of reviewing training opportunities and makes recommendations to the Board of Trustees. The nominated Trustee liaises with the School Business Manager and Chair of Trustees.

f. Organisational structure

Before conversion to academy status on 1 July 2014 Smith's Wood Primary Academy Limited was a local authority maintained school. The additional responsibilities of the Board of Trustees of the Academy Trust have been recognised and the structure amended accordingly.

At Smith's Wood Primary Academy Limited the majority of the roles and responsibilities of the Board of Trustees have been delegated to one of two committees, as defined by the Board of Trustees' Terms of Reference. Responsibilities for which the full Board of Trustees has retained responsibility are defined in the Board of Trustees' Terms of Reference.

Members of the Management Team, in addition to the Head of School, attend Trustees' Committee meetings and full Board of Trustees meetings as appropriate. Individual members of the Management team are identified as a Lead Professional for each of the Committees.

The Trustees are responsible for the strategic management of the school; deciding and setting key foci for the school. These include strategic direction, annual budget, senior staff appointments and policy changes. Strategic and operational leadership is the responsibility of the Head of School and the Management Team. Leadership is carried out at a number of levels throughout the school i.e. Senior Management Team, Middle Leaders, Heads of House, Subject Leaders, Support Staff Leaders and Student Leaders.

School policies are developed by senior members of the school's staff to reflect both statutory requirements and the strategic direction agreed by the Trustees. These policies are reviewed by the Trustee Committees, approved and adopted by the Board of Trustees and implemented with appropriate procedures by the

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Management Team and other designated members of staff.

The Board of Trustees meet once per term and each sub-committee meet twice per term. The Board of Trustees Committee structure consists of the following:- Standards (Professional Lead: Principal of School), Finance (Professional Lead: School Business Manager).

g. Pay policy for key management personnel

Remuneration for key management is set by the remuneration committee at the start of each school year in accordance with Solihull Metropolitan Borough Council guidelines. Changes in remuneration are based on the performance of the Principal and Deputy against objectives for the prior year.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	2,124,244
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. Connected organisations, including related party relationships

North Solihull Unity Collaborative

Smith's Wood Primary Academy Limited is an associate member of this collaborative of 21 primary and secondary schools serving the communities of North Solihull, East Birmingham and North Warwickshire.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Smith's Wood Primary School to provide education for students between the ages of 3 and 11.

b. Objectives, strategies and activities

The Academy Trust was set up on 2 June 2014 to advance education in Smith's Wood, North Solihull. The school was built in 2009; two local primary schools Bosworth Wood and Kingfisher closed and were replaced by Smith's Wood Primary School. The school offers a broad based curriculum, breaking down barriers to learning. This reflects the school's ethos by ensuring all pupils reach their full potential.

The initial objective was to ensure a smooth and seamless conversion from a maintained school to an academy. In doing this the Trustees have carefully planned short, medium and long term developments whilst maintaining the highly valued traditional ethos and values across the community.

During 2017 - 2018 the main objectives of the school were to improve the quality of teaching and learning; thus improving student attainment and achievement.

The aims of the school are based on our motto '**Challenge, Support, Progress**'.

The Smith's Wood Charter' provides a series of statements that explain the entitlement for students who attend Smith's Wood Primary Academy; the charter states:

Working in partnership with parents and carers, staff and governors will aim to;

- Create a **safe, secure orderly and accessible** learning environment.
- Deliver **exciting, purposeful learning and teaching** opportunities both **inside, outside and beyond the classroom**, through a **vibrant curriculum**.
- Set clear and **consistent expectations** for behaviour, centred around **mutual respect**.
- Develop **independence and self-respect** amongst our children.
- Create a **bright, stimulating, interactive** place to learn.
- Develop **positive links and communication** between home, governors and the wider community to support children's learning.
- Provide an **inclusive** environment in which all children can succeed

'CITIZENS OF THE FUTURE, UNITED IN OUR COMMUNITY'

Our aim for every child is that they should:

- Make good progress.
- Enjoy learning.
- Develop lively enquiring minds.
- Be able to work with others as part of a team.
- Embrace new technology, alongside traditional skills.
- Show care and respect for the environment and contribute to the community.

We encourage all teachers and support staff to create a positive, forward looking, professional workplace in which team work is central, expertise and strengths are shared and when calculated risks are taken.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

'MORE THAN A SCHOOL'

The 2016 - 2017 School Improvement Plan objectives and actions have been reviewed and have informed objectives for 2017 - 2018.

Development Plan Objectives for Academic Year 2017-18

Achievement:

- To further increase rates of progress particularly by end of reception to be in line with the national average.
- Improve achievement in all Key Stages
- Improve achievement at Year 6 to outstanding
- Improve achievement for key groups (boys, more able and Pupil Premium)

Teaching and Learning:

- Challenge for all groups to achieve at the highest levels
- Marking and assessment enables students to make outstanding progress
- Impact of professional development on improving our teaching and learning profile with increased outstanding teaching

Leadership and Management:

- Further develop impact of SMT (Senior Management Team) and subject leaders through distributed leadership
- Further develop leadership of early years and foundation stage so teaching is consistently good or better and quality assurance
- Improve effectiveness of governing body

Behaviour and Safety:

- Embed outstanding learning behaviours including Character Education
- Improve provision DSEN (Disabilities and Special Educational Needs) to outstanding

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The key public benefit delivered by Smith's Wood Primary Academy Limited is the maintenance and development of a quality education provided by the school. It is the Trustees aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in the area of Smith's Wood and it's surrounding areas.

In doing this, Smith's Wood Primary Academy Limited not only offers a broadly based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities and educational trips and visits are offered to students.

Achievements and performance

a. Key performance indicators

Progress against 2016/17 objectives

Teaching

- Teaching profile has improved to 96% Good or better in the new Ofsted framework
- Teaching in core subjects has improved and new teachers/leaders recruited in core subjects
- A whole school focus on marking and assessment with teacher/student dialogue as a means of ensuring students know how to improve is an emerging strength and a key area of focus in 2017/18
- Mixed year Learning Clusters facilitates Joint Practice Development and ensures quality assurance processes are robust

Achievement

- SATS results have improved across a range of subjects and are well above the national average
- Pupil Premium interventions are a key focus
- Forensic analysis of data at student, class and cohort level ensures effective intervention
- Teachers using learning plans to ensure planning for progress
- Data is scrutinised and data team strengthened to support communication of data to stakeholders



National Curriculum Test Results 2018

KS1	% at Expected Standard or Above						% Working at Greater Depth									
	Reading		Writing		Maths		Reading		Writing		Maths					
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018				
School	85%	80%	85%	82%	81%	82%	20%	20%	13%	15%	22%	20%				
National	70%	76%	68%	70%	60%	70%	25%	26%	15%	16%	27%	22%				
Solihull	79%	77%	70%	72%	77%	77%	28%	28%	18%	19%	23%	24%				
KS2	% at Expected Standard or Above								% Working at Greater Depth							
	Reading		Writing		Maths		SPAG		Reading		Writing		Maths		SPAG	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
School	84%	80%	81%	85%	81%	82%	89%	93%	32%	32%	18%	18%	32%	44%	40%	44%
National	72%	75%	70%	70%	75%	75%	77%	77%	25%	28%	18%	20%	27%	23%	31%	34%
Solihull	75%	77%	75%	80%	76%	77%	89%	88%	28%	30%	20%	22%	28%	27%	32%	35%
RWM combined	2017 School = 82% 2017 National = 61%				2018 School = 85% 2018 National = 64% [prog]				2017 School = 32% 2017 National = 9%				2018 School = 32% 2018 National = 14%			
Progress	+1.37		+1.8		+3.25				NB: KS2 figures are subject to change Awaiting confirmed National figures for Greater depth at KS2							
Average scaled score	106.7	107 (N)102	N/A		107.8	109 (N)101		110 (N)105								
Phonics	2017 92%				2018 97%				2017 figures in blue 2018 in black							

Achievement of identified groups

Ofsted Inspection – May 2017

The school received an inspection in May 2017. This inspection was carried out under section 8 of the Education Act 2005. The inspection was also deemed a section 5 inspection under the same Act. Quality of teaching, learning and assessment were judged as outstanding, Smith's Wood Primary Academy was graded

OUTSTANDING in all categories.

The Trustees and school leaders were thrilled that the school achieved such a positive report.

Key Strengths from the inspection included:

- Smith's Wood Primary Academy is exceptionally well led. Leaders and governors have unwavering determination. A culture of high expectations permeates the school.
- The principal leads with passion and drive. His enthusiasm for learning is shared by fellow leaders. The leadership team constantly looks for ways to improve its own effectiveness.
- Governors are skilled and provide an equal measure of challenge and support. They work collaboratively with leaders to secure exceptional outcomes for children, staff and families.
- From starting points that are often below typical levels, pupils thrive. Outcomes in almost every phase are above national levels. Pupils' progress is rapid. No one is left to fall behind.
- Disadvantaged pupils and pupils who have special educational needs and/or disabilities are very well supported. By the time these groups of pupils leave school, their progress exceeds that of other pupils nationally.
- The curriculum is inspirational. Pupils are immersed in wide-ranging topics that fascinate and enthrall them. There are opportunities for pupils to attend clubs and visit places they might not ordinarily see at such a young age.

Areas for improvement were as follows:

- Refine assessment systems so that leaders and governors can analyse the progress made by different groups of pupils even more precisely.
- Ensure that teachers consistently challenge pupils, particularly those that are most able, to demonstrate the depth of their learning and understanding in all subjects of the curriculum.
- Further develop provision within the early years so that children have even more opportunities to make decisions about how they approach tasks.

The report confirms that Smith's Wood Primary Academy is exceptionally well led and that governors work collaboratively with leaders to secure exceptional outcomes for children, staff and families.

b. Financial performance indicators

The Trustees of the Academy Trust agreed the following key financial performance indicators for 2017 - 2018:-

- **Achieving a balanced budget at year-end**
The Trustees monitor the financial position on a half-termly basis by reviewing financial year-end projections.
- **Benchmarking expenditure against other similar organisations**
Benchmarking information provided by the Department for Education has been reviewed by Trustees on an annual basis to make comparative judgements on a £ spend per student basis. Comparisons are made with similar schools and academies to review various aspects of expenditure and income.
- **Maintaining current level of reserves**
The school has maintained a similar level of reserves at the end of this accounting period.
- **Achieving value for money through effective financial management procedures**
The school complies with the Finance Policy as adopted by the Board of Trustees in 2014. Visits by an independent external Responsible Officer have verified the procedures of financial management and internal control to achieve value for money.
- **Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure**
Monitoring of cash flow throughout the year has secured sufficient cash balances to ensure cash balances to cover monthly expenditure.

c. Review of activities

Improving educational outcomes for our children remains our key priority. Children enter Smith's Wood Primary Academy, on average well below national average. By the time children leave the school, on average, they are performing above national average expectations. Outstanding levels of attainment are achieved in many areas of the school, alongside rapid rates of progress. Significant barriers to learning are overcome (54% FSM 2017- 2018), with all groups of pupils outperforming national average levels by the end of KS2. This is evidence of the school effectively deploying resources and implementing intervention strategies to ensure good value for money. The Academy has taken the following steps to support school improvement for our students and to raise their attainment and aspirations (see below).

The Academy is committed to supporting our children achieving their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for higher education. This commitment to being "More Than A School" is reflected in the school achieving the Sports Mark Gold Award in 2018 and the School of Character Kitemark in 2018. The school was previously identified as a Pupil premium Award Regional winner and a Top 100 Employer (Apprenticeships) in 2014. The Good Schools Guide identified Smith's Wood as a "Top 4" school in Solihull in 2018. In 2017, the school was graded as outstanding by Ofsted in all areas.

Key areas for improvement 2018 - 2019

Maintain focus on raising standards and rates of progress.

Raise levels of attendance (target 96%), reduce Persistent Absence to 8.3%.

Provide further development training for middle managers and senior leaders (Collegiate Learning initiative).

Targeted improvement has focussed on disadvantaged pupils; with additional intervention initiatives helping to effectively close the gap (see data below). A wide range of intervention groups cover many groups within the school, although there has been a particular emphasis on the progress of more able pupils and the progress of individuals in phonics. The impact of these initiatives is documented below.

Ofsted (2017) recorded that the teaching of phonics at the school was "outstanding" and that programmes for individual pupils were also "outstanding". The very effective use of funding to close gaps in attainment for disadvantaged pupils has been recognised nationally (Pupil Premium Award 2013).

Targeted improvement: The Academy has a robust tracking system for monitoring achievement and is continually looking at how data can inform staff in order for them to support and extend the learning of the children. We have employed skilled staff to support our school improvement agenda and we involve all our teams in focusing on the children's' learning needs and encourage innovation and creativity to meet those needs.

Focus on individual children: The Academy offers children a comprehensive support service and specialist learning provision. Children benefit from 1:1 mentoring, small group work, external educational provision (where appropriate) and our experienced teams work with children to support their individual needs. The Academy rewards excellence and encourages positive behaviour. We celebrate achievement and encourage children to try new activities.

Diverse Curriculum: We recognise that children's' skills and knowledge are diverse, and it is necessary to differentiate the curriculum in order to make the most appropriate use of resources to meet children's' needs.

Collaboration: Smith's Wood Primary Academy is committed to working collaboratively to improve outcomes for all pupils. The Academy has an informal alliance with a rural collaborative. Examples of this collaboration are highlighted below;

- Mentoring of senior staff in other schools
- Providing positions for apprentices alongside local colleges (National Apprenticeship award winner 2014)

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

- Teacher Training in partnership with local universities and Teaching Schools
- Sharing good practice through presentations / seminars (Pupil Premium, Attendance, Schools of Character)

Quantifying improvements:

Evidence of attainment

Standards at the end of KS2 (2018), in terms of pupils achieving at the expected level or above were above national average in all subjects Reading 88% (75% nationally) Writing 95% (78% nationally) Maths 93% compared to 75% nationally) and SPAG 97% compared to 77% nationally.

Overview

KS2 Attainment 2018 - Actual results
all pupils

KS2 Progress 2018 - Value Added
all year 6 pupils

Average Scaled Score (Rs, Ms)

% Expected standard+ (Rs, Wt, Ms)

Average Scaled Score (Rs, Ms)

% Expected standard+ (Rs, Wt, Ms)

107.6

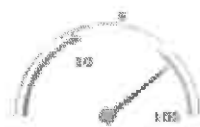
83%

+2.2

+14%



Significantly above the national average (104.4)



Significantly above the national average (75%)



Significantly above the national average (0)



Significantly above the national average (0%)

Standards achieved in RWM at the end of KS2 (2018) are above average 85% (64% nationally provisional figure).

Note that attainment in KS2 (2018), in terms of average scaled scores is significantly above the national average. Value added progress measures are also significantly above the national average in 2018. This was also the case in 2017. Outcomes for pupils were graded as "outstanding" by Ofsted in 2017.

Pupils' achievement in reading (KS1)

Pupils' achievement in reading at the end of KS1 has risen each year that the school has been open.

In 2014, 88% of pupils achieved 2B+ in reading—a figure in excess of the national average (81%). Considering that pupils enter the school well below national average standards, progress may be considered to be outstanding.

Standards at the end of KS1 (2018) are above national average in all subjects Reading 80% (76% nationally) Writing 82% (70% nationally) and Maths 82% compared to 76% nationally). Note that this figure is Reading 80%, Writing 73% and Maths 80% for FSM pupils.

In summary, standards in reading at the end of KS1 are rising and are in excess of national average figures. There has been a clear upward trend since the school opened.

The school's own analysis of pupil reading ages shows a clear upward trend in standards, with increasing numbers of pupils exhibiting a reading age in line or above their chronological age. Indeed, data for the period Jan 14-Jul 14 shows that across KS1, an average of 14 months progress was made. By this measure, progress was rapid. A similar pattern is evident throughout the school, reflecting the emphasis placed on raising standards in reading.

Trustees' report (continued)
For the year ended 31 August 2018

Y1 National Phonics Screening Test

In the Y1 phonics screening test, 97% of our Y1 pupils achieved the standard consistent with 2017 and 2016. Note that this is 16% higher than the national average figure. All groups of pupils achieved significantly higher than the national average levels. Indeed, in each year that this test has been in existence, the school average has been significantly in excess of the national average for all groups of pupils. This is despite considerable barriers to learning.

'The quality of teachers' questioning and the teaching of phonics are particular strengths'
OFSTED 2017

Writing

The development of writing has also been a priority at Smith's Wood. All aspects of writing have been considered, with a particular emphasis on "VCOP" through "Big Write" training and the development of writing through other subjects. A particular focus has been made of the use of grammar in 2017 - 2018.

Impact

100% of pupils made 2 levels progress in writing (end of KS2 2018 95%)(91% 2017). This is in excess of national average figures. Standards in writing have risen, and rates of progress have improved considerably.

Value added

Whilst APS data was phased out in favour of a new format by Sept 2015, in the 3 years prior to this, an upward trend in pupil progress was evident throughout each year group. Progress was beyond national expectations. Our new assessment format- introduced in summer 2015- uses standardised data to track standards and progress. This data shows that pupils have continued to make outstanding progress. Alongside the historical APS data, progress has been clearly sustained.

Pupils are tracked individually, as well as in cohorts and groups within groups. This tracking considers mean average standardised scores and also the percentage of pupils in each "band" (the bands refer to the standard distribution curve of a normal population). By each measure, Smith's Wood pupils are progressing rapidly and achieving standards slightly above the "100 average". This system runs alongside our tracking of KPIs.

National data highlights the rapid progress made by our Y6 cohort (2018). Our in house data shows that this group improved by 7 points from December 17 to July 18 in reading and 13 points in maths (using standardised tests) The progress made by disadvantaged pupils in reading was slightly in excess of non-disadvantaged pupils (+7 pts v +6 pts). The progress made by disadvantaged pupils in maths during this period was +13, which was the same as non- disadvantaged pupils.

Rapid progress is made throughout the school, with Y6 pupils making exceptional progress. Throughout years 1-6, there is a pattern of disadvantaged pupils at least matching and often slightly surpassing- the standards of non-disadvantaged pupils. This pattern is matched in terms of progress, when comparing the mean averages of groups over time (e.g. December 17- July 18).

Disadvantaged pupils

A strength of the school is the attainment and progress of disadvantaged pupils. This is significant given that all year groups have a relatively high proportion of disadvantaged pupils. In house data shows disadvantaged pupils performing in line with non-disadvantaged pupils, with both groups performing slightly above the average level.

National data (KS2) also highlights the high relative performance of disadvantaged pupils at Smith's Wood.

Disadvantaged pupils

KS2 attainment for disadvantaged pupils 2018

Average Scaled Score (10a, 10b)



KS2 progress for disadvantaged pupils 2018

Average Scaled Score (10a, 10b)



From a very low starting point standards have risen, progress rates have improved significantly, teaching standards have improved markedly, and attendance has continued to improve. Children enter the school well below average and leave Y6 with levels above national average levels. In school data mirrors the picture of rapid progression in which barriers to learning are being overcome. We believe this is a result of outstanding teaching, provision and leadership and management.

d. Going concern

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

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Financial review

a. Introduction

The majority of the school's income is received from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school has directed income to specifically targeted areas to raise standards. The Trustees approved a new staffing structure which was implemented in September 2016, where additional leadership and expertise in the core subjects was implemented.

£8,991 (2017 - £9,027) was received as a Devolved Formula Capital Grant (DFC); the DFC received is shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 1 July 2014, all of the fixed assets of the former maintained school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income i.e. bank interest.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes, of 32,324 (2017 - £155,654), prior to the transfer of £36,623 (2017 - £92,668) into the Restricted Fixed Asset Fund. This operating surplus is the result of detailed and tight budgeting and budget control procedures which were inherited from the former maintained school, and which have been firmly embedded in the Academy Trust's daily financial management in accordance with its financial procedures and the Academies Financial Handbook.

b. Reserves policy

Under its Deed of Variation to the Funding Agreement with the Secretary of State for Education Smith's Wood Primary Academy Limited is allowed to hold reserves at the end of the year as specified in the current Academies Financial Handbook.

The Trustees of the Finance Committee has reviewed these reserve levels and believe that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion.

As at 31 August 2018 the school had reserves based upon its GAG of around 33% (2017 - 33%).

c. Investments policy

Apart from the cash held for the operation of the school, Smith's Wood Primary Academy Limited has no realisable investments. With respect to its cash holdings the Board of Trustees has adopted a low risk strategy. The school maintains a current account and an investment account with the school's bankers. The Trustees will review its investments for forthcoming financial years to ensure maximum efficiency for cash balances.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

d. Principal risks and uncertainties

The Trustees conduct an annual review of its Risk Register to consider whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the school's objectives. The academy's key strategic risks include:-

- Staff Retention
- Breach of Data Protection
- Litigation and legislative changes
- Pension deficit
- Fall in levels of academic achievement
- Failure to meet academic objectives
- Detrimental media publicity
- Failure of internal financial controls
- Fraud
- Health and safety of students and staff
- Weak governance

Under FRS102 Section 28, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to an unrestricted fund. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The Academy is currently paying an increased employer contribution rate to reduce this deficit.

Fundraising

Smith's Wood Primary Academy is committed to its charitable aims and fundraises where possible to help achieve these. The Trustees ensure that the school complies with charity legislation and regulation in this area and it is expected that any fundraising activities are carried out in adherence to this legislation. Fundraising will be legal, respectful, honest and properly administered. Where possible all costs of fundraising events will be covered by participants to ensure that as much of the fundraising income received will go directly to cover the charitable aims. Smith's Wood Primary Academy will not undertake business with companies or individuals which could cause detriment to the reputation; which will disproportionately decrease the amount of donations to the Academy. All fundraising activities are monitored and information of the donor will be handled properly and carefully.

Plans for future periods

a. Future developments

Smith's Wood Primary Academy Limited will continue to work to improve the achievements of its students at all levels, not only in academic subjects but also in extra-curricular activities and in essential life skills, to increase the variety of opportunities open to its students when they move on to higher education and the world of work.

Smith's Wood Primary Academy Limited aims to extend its work in the local community and within local primary partner schools.

The Trustees consider that robust financial management has enabled investment in learning resources and the learning environment to meet strategic development priorities. Trustees also recognise the importance of a long-term strategic plan, which meets both the Learning Strategy and the Condition Survey needs for maintenance and development of the environment.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2018

Funds held as custodian

During the period from 1 September 2017 until 31 August 2018 Smith's Wood Primary Academy did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

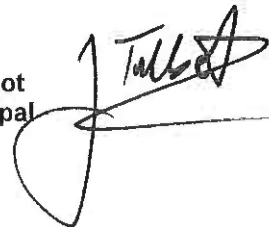
The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 6 December 2018 and signed on its behalf by:



N Henderson
Chair of Trustees

J Talbot
Principal



Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Smith's Wood Primary Academy Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Henderson, (Chair of Trustees)	2	4
J Talbot, (Principal)	4	4
Rev S Carter, (Principal)	3	4
I Batigan	4	4
I Campbell	1	4
M Thompson	4	4
C Lees	4	4
V Hudson	3	4
S Boyd (resigned 15 April 2018)	3	3
S Morris	4	4
C Herbert	1	4
A Mills (appointed 11 May 2018)	1	1

The Trustees have reviewed their performance and capacity by undertaking a self-evaluation of governance during the year. Trustees identified areas of governance of high significance. Trustees offer challenge on a termly basis on the progress of the quality of teaching, pupil premium and the measure of narrowing the gap, behaviour, attendance, financial matters and budget monitoring and forecasting, health and safety compliance and testing. Trustees have investigated establishing a system of linking individual Trustees to departments, including support staff. Trustees receive feedback on performance management outcomes and review, consider and approve changes to staffing structures.

The **Finance Committee** is a sub-committee of the main Board of Trustees. Its purpose is to recommend the annual budget to the Board of Trustees and subsequently monitor income and expenditure against the approved budget. The Committee receive written reports from the School Business Manager each half term, with recommendations for consideration. A constant review of anticipated end of year financial position is undertaken through the year.

One member of the Committee is a qualified accountant.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
N Henderson	3	3
J Talbot	3	3
I Batigan	2	3
I Campbell	0	3
M Thompson	2	3
V Hudson	2	3
S Boyd	2	2
A Mills	1	1

Review of Value for money

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

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

Financial governance and oversight: The Academy's Governing Body has strong oversight of the financial management of the budget. The Finance Committee meet regularly, at least once a term, to review the financial position, to receive reports and to challenge decisions. Our external auditors review our financial processes and the role of Responsible Officer is undertaken by Dains to test our internal controls. The levels of delegation on spending proposals ensure we take the necessary steps to achieve best value.

The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and External Auditors Management Report.

Better purchasing: The Academy uses compliant frameworks where appropriate, including tender processes to achieve best value for higher value procurement. On smaller value procurement, our Budget Holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other schools and economies of scale. We have a member of the finance team who specifically deals with procurement and is constantly checking for best value.

The Academy is looking to benchmark its financial performance against other Solihull academy trusts to demonstrate that the Trust provides good value for money.

During the Academy conversion process, a transparent tender process was undertaken before the appointment took place of solicitors and auditors. A thorough review of Service Level Agreements took place prior to conversion, in respect of bought-in services and some changes were made. This process will be repeated each year, to ensure we are buying services cost effectively when balanced with the impact those services have. The school's iPad scheme was the subject of a detailed procurement process (involving the Government approved mechanism Crescent Purchasing) as was the Academy's insurance requirements in advance of conversion.

The Academy seeks guidance from external professionals and advisers, where appropriate. Governors have instructed senior leaders to seek advice on the future strategy of the school in respect of pupil numbers (capacity) as well as teaching areas (classroom space) and we expect to move some of these ideas forward shortly.

After the property transfer to the Academy (as part of the conversion process), we acquired rights to the vacant caretakers bungalow. Also, a detailed Stock Condition Survey has been undertaken (at the expense of SMBC), which will enable Governors to plan effectively to look after the building in the most effective way (internal and external). Remedial internal re-decorations will be planned and we are in the process of re-establishing controls

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Governance Statement (continued)

over the heating & ventilation systems. This will not only make the working environment more conducive to performing well, but there should be net savings in energy costs.

Personal development is always a key part of an improved performance and this is not just limited to teaching staff. The school recently undertook training for lunchtime supervisors, which has enabled us to have a more positive approach to lunchtimes. Several initiatives are planned to come to fruition. Lunchtime is a refuelling stop and a chance for children to let off steam, but the same levels of expectation as regards behaviour are expected as in the classroom. Initiatives in the dining hall and playground will help staff and children to have a more effective lunchtime experience.

Variable overhead costs are under constant review. For example, we implemented a software system 'Paper cut' for print/copy, which weekly budgets for staff – this will reduce unnecessary printing/copying, will significantly reduce our use of colour and overall will save money not only on use of machinery, but paper as well.

Fitness for purpose: The Academy has a cycle of review for its on-going services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

Better income generation: The Academy has limited scope to make lettings, in view of the current shared use arrangements with Smith's Wood Parish Council (SWPC). However, one area being monitored closely is the re-charge of shared costs related to the building to SWPC. This has included splitting utility bills and maintenance charges for the building. SWPC now pay 17% towards maintenance charges in shared use areas.

Reviewing Controls and Managing Risk: Monthly budget monitoring reports and management accounts are produced by the Business Manager. These reports are reviewed by the Principal and any remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Academy sees IT as an important area, both in terms of the impact on the curriculum teaching & learning as well as the need to understand developments in the marketplace. We have an in-house IT Network Manager to enable us to have a better knowledge base in school – we are reviewing the next steps here which might include taking even greater control over ICT development.

Lessons learned (reviewing operation to maximise use of resources): The Academy Leadership Team review expenditure with budget holders and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer, and any new strategies identified in the Academy Improvement Plan.

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 Smith's Wood Primary Academy Limited for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 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 trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the external auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No material control issues arose as a result of the external auditors' work as planned.

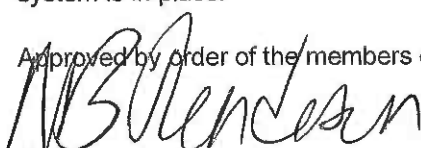
Review of Effectiveness

As Accounting Officer, the Principal 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 6 December 2018 and signed on their behalf, by:


N Henderson
Chair of Trustees


J Talbot
Accounting Officer

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Smith's Wood Primary Academy Limited 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.

J Talbot
Accounting Officer



Date: 6 December 2017

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the Members of the Board of Trustees on 6 December 2018 and signed on its behalf by:



N Henderson
Chair of Trustees

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Smith's Wood Primary Academy Limited

Opinion

We have audited the financial statements of Smith's Wood Primary Academy Limited (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 and 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 and 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees 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.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Smith's Wood Primary Academy Limited

Other information

The Trustees 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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 Trustees 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 Trustees 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 concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations,

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Smith's Wood Primary Academy Limited

or have no realistic alternative but to do so.

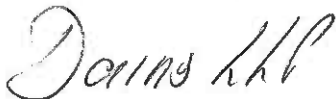
Auditors' responsibilities for the audit of the financial statements

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. 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 Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

6 December 2018

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Smith's Wood Primary Academy Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 September 2018 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 Smith's Wood Primary Academy Limited 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 Smith's Wood Primary Academy Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Smith's Wood Primary Academy Limited 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 Smith's Wood Primary Academy Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Smith's Wood Primary Academy Limited's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Smith's Wood Primary Academy Limited's funding agreement with the Secretary of State for Education dated 26 June 2014, 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.

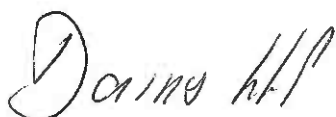
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Smith's Wood Primary Academy Limited and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



Dains LLP
Chartered Accountants

6 December 2018

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 August 2018

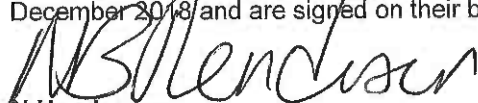
	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	544	39,834	8,991	49,369	63,229
Charitable activities:	3					
Funding for the academy trust's educational operations		-	2,511,866	-	2,511,866	2,542,929
Other trading activities	4	21,893	27,414	-	49,307	54,559
Investments	5	1,080	5	-	1,085	977
Total income		23,517	2,579,119	8,991	2,611,627	2,661,694
Expenditure on:						
Academy trust educational operations		20,423	2,673,889	146,895	2,841,207	2,888,322
Total expenditure	6	20,423	2,673,889	146,895	2,841,207	2,888,322
Net expenditure before transfers		3,094	(94,770)	(137,904)	(229,580)	(226,628)
Transfers between Funds	15	-	(36,623)	36,623	-	-
Net income / (expenditure) before other recognised gains and losses		3,094	(131,393)	(101,281)	(229,580)	(226,628)
Actuarial gains on defined benefit pension schemes	19	-	347,000	-	347,000	432,000
Net movement in funds		3,094	215,607	(101,281)	117,420	205,372
Reconciliation of funds:						
Total funds brought forward		531,285	(1,535,154)	5,365,773	4,361,904	4,156,532
		534,379	(1,319,547)	5,264,492	4,479,324	4,361,904
Total funds carried forward						

Smith's Wood Primary Academy Limited
(A company limited by guarantee)
Registered number: 09065312

Balance sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		5,643,273		5,752,609
Current assets					
Debtors	13	80,894		98,275	
Cash at bank and in hand		802,212		754,072	
		<u>883,106</u>		<u>852,347</u>	
Creditors: amounts falling due within one year	14	<u>(220,055)</u>		<u>(193,052)</u>	
Net current assets			663,051		659,295
Total assets less current liabilities			6,306,324		6,411,904
Defined benefit pension scheme liability	19		<u>(1,827,000)</u>		<u>(2,050,000)</u>
Net assets including pension scheme liabilities			<u>4,479,324</u>		<u>4,361,904</u>
Funds of the academy					
Restricted funds:					
Restricted income funds	15	507,453		514,846	
Restricted fixed asset funds	15	5,264,492		5,365,773	
		<u>5,771,945</u>		<u>5,880,619</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,827,000)</u>		<u>(2,050,000)</u>	
Total restricted funds			3,944,945		3,830,619
Unrestricted income funds	15		534,379		531,285
Total funds			<u>4,479,324</u>		<u>4,361,904</u>

The financial statements on pages 28 to 54 were approved by the Trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:


N Henderson
Chair of Trustees

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	83,678	42,356
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,085	977
Purchase of tangible fixed assets		(45,614)	(73,785)
Capital grants from DfE Group		8,991	9,027
Net cash used in investing activities		(35,538)	(63,781)
Change in cash and cash equivalents in the year		48,140	(21,425)
Cash and cash equivalents brought forward		754,072	775,497
Cash and cash equivalents carried forward	18	802,212	754,072

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

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.

Smith's Wood Primary Academy Limited constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees have assessed whether the use of going concern is appropriate, i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The trustees have concluded that the Academy is a going concern and will continue to trade for the foreseeable future, which is at least 12 months from the date of approval of the financial statements.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

1. Accounting policies (continued)

1.4 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.

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.

1.5 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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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:

1. Accounting policies (continued)

Long term leasehold property	-	2% straight line
Fixtures and fittings	-	20% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	20% 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.

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

1.7 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.

1.8 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.

1.9 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.

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities 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. Accounting policies (continued)

1.12 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

1. Accounting policies (continued)

1.13 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.

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. 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.

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.

Critical areas of judgment:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affects the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

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	544	-	-	544	1,203
Capital Grants	-	-	8,991	8,991	9,027
Trip income	-	37,046	-	37,046	41,354
Other grants	-	2,788	-	2,788	11,645
	<u>544</u>	<u>39,834</u>	<u>8,991</u>	<u>49,369</u>	<u>63,229</u>
Total 2017	<u>1,203</u>	<u>43,509</u>	<u>18,517</u>	<u>63,229</u>	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,978,607	1,978,607	2,005,292
Pupil Premium	-	290,680	290,680	311,532
Other EFSA Grants	-	87,577	87,577	73,249
	<u>-</u>	<u>2,356,864</u>	<u>2,356,864</u>	<u>2,390,073</u>
Other government grants				
Nursery Funding	-	139,376	139,376	143,677
Insurance Income	-	5,201	5,201	-
Special Education Grants	-	9,650	9,650	7,007
	<u>-</u>	<u>154,227</u>	<u>154,227</u>	<u>150,684</u>
Other funding				
Other grants	-	775	775	2,172
	<u>-</u>	<u>775</u>	<u>775</u>	<u>2,172</u>
	<u>-</u>	<u>2,511,866</u>	<u>2,511,866</u>	<u>2,542,929</u>
Total 2017	<u>-</u>	<u>2,542,929</u>	<u>2,542,929</u>	

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	13,036	-	13,036	14,149
School goods income	746	-	746	960
Before and after school income	932	26,269	27,201	27,641
Other income	7,179	1,145	8,324	11,809
	<u>21,893</u>	<u>27,414</u>	<u>49,307</u>	<u>54,559</u>
Total 2017	<u>25,904</u>	<u>28,655</u>	<u>54,559</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	1,080	5	1,085	977
	<u>972</u>	<u>5</u>	<u>977</u>	
Total 2017	<u>972</u>	<u>5</u>	<u>977</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	1,776,766	113,881	299,391	2,190,038	2,231,557
Support costs	274,478	98,893	277,798	651,169	656,765
	<u>2,051,244</u>	<u>212,774</u>	<u>577,189</u>	<u>2,841,207</u>	<u>2,888,322</u>
Total 2017	<u>2,151,569</u>	<u>223,490</u>	<u>513,263</u>	<u>2,888,322</u>	

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

7. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	1,385,706	1,318,844
National insurance	120,789	114,798
Pension cost	343,270	402,506
Depreciation	101,355	101,265
Pension income	51,000	48,000
Educational supplies	63,198	94,006
Staff development	24,280	20,984
Technology costs	30,756	39,688
Educational consultancy	2,675	12,600
Travel and subsistence	36,611	38,598
Other direct costs	21,497	25,007
Supply teacher insurance	8,901	15,261
	<u>2,190,038</u>	<u>2,231,557</u>
Support costs - educational operations		
Wages and salaries	229,103	226,497
National insurance	13,009	12,604
Pension cost	32,366	76,321
Depreciation	53,595	46,534
Technology costs	5,800	3,983
Travel and subsistence	2,469	1,856
Other direct costs	53,103	58,034
Maintenance of premises	31,491	17,516
Maintenance of equipment	14,568	31,760
Cleaning	10,010	7,837
Rates	15,549	16,706
Energy	49,087	39,999
Insurance	13,901	15,955
Catering	102,835	90,513
Governance costs	24,283	10,650
	<u>651,169</u>	<u>656,765</u>
	<u><u>2,841,207</u></u>	<u><u>2,888,322</u></u>

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

8. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	154,950	147,799
Auditors' remuneration - audit	6,050	5,885
Auditors' remuneration - other services	2,900	2,435
	<u>163,900</u>	<u>156,119</u>

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

9. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,614,809	1,543,699
Social security costs	133,798	127,402
Operating costs of defined benefit pension schemes	375,637	478,827
	<u>2,124,244</u>	<u>2,149,928</u>
Agency staff costs	-	1,641
	<u><u>2,124,244</u></u>	<u><u>2,151,569</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	24	24
Administration and support	61	62
Management	5	5
	<u>90</u>	<u>91</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £349,000 (2017 - £348,000).

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

10. Trustees' remuneration and expenses

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

		2018 £	2017 £
J Talbot (Principal and trustee)	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000
V Hudson (Staff trustee)	Remuneration	35,000-40,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S Boyd (Staff trustee) (resigned 15 April 2018)	Remuneration	25,000-30,000	40,000-45,000
	Pension contributions paid	0-5,000	5,000-10,000

During the period, no Trustees received any reimbursement of expenses.

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £580 (2017 - £580).

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

12. Tangible fixed assets

	Long term leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	5,967,231	90,598	25,208	83,276	6,166,313
Additions	33,308	4,559	-	7,747	45,614
At 31 August 2018	6,000,539	95,157	25,208	91,023	6,211,927
Depreciation					
At 1 September 2017	331,145	33,567	12,666	36,326	413,704
Charge for the year	113,881	18,758	5,042	17,269	154,950
At 31 August 2018	445,026	52,325	17,708	53,595	568,654
Net book value					
At 31 August 2018	5,555,513	42,832	7,500	37,428	5,643,273
At 31 August 2017	5,636,086	57,031	12,542	46,950	5,752,609

13. Debtors

	2018 £	2017 £
Trade debtors	934	600
Other debtors	16,177	13,556
Prepayments and accrued income	63,783	84,119
	<u>80,894</u>	<u>98,275</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	55,855	22,464
Other taxation and social security	31,394	32,449
Other creditors	41,400	41,508
Accruals and deferred income	91,406	96,631
	<u>220,055</u>	<u>193,052</u>

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

14. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	34,182	38,963
Resources deferred during the year	40,639	34,182
Amounts released from previous years	(34,182)	(38,963)
	<u>40,639</u>	<u>34,182</u>
Deferred income at 31 August 2018	<u>40,639</u>	<u>34,182</u>

At the balance sheet date the academy trust was holding funds received in advance for grant income for the autumn term 2018.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

15. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
School building	386,836	-	(8,055)	-	-	378,781
General funds						
Unrestricted funds	144,449	23,517	(12,368)	-	-	155,598
Total Unrestricted funds	531,285	23,517	(20,423)	-	-	534,379
Restricted funds						
General Annual Grant (GAG)	506,293	1,978,607	(1,950,457)	(36,623)	-	497,820
Other DfE/EFA grants	-	378,257	(378,257)	-	-	-
Other government grants	-	149,025	(149,025)	-	-	-
Other grants	-	3,563	(3,563)	-	-	-
Other funding generated	-	68,517	(68,517)	-	-	-
School fund	8,553	1,150	(70)	-	-	9,633
Pension reserve	(2,050,000)	-	(124,000)	-	347,000	(1,827,000)
	(1,535,154)	2,579,119	(2,673,889)	(36,623)	347,000	(1,319,547)
Restricted fixed asset funds						
Gift from Local Authority	5,180,425	-	(100,252)	41,868	-	5,122,041
DfE/ESFA Capital Grants	16,107	8,991	(6,555)	(343)	-	18,200
Capital expenditure from GAG	160,011	-	(38,040)	(5,652)	-	116,319
Lottery grant	9,230	-	(2,048)	750	-	7,932
	5,365,773	8,991	(146,895)	36,623	-	5,264,492
Total restricted funds	3,830,619	2,588,110	(2,820,784)	-	347,000	3,944,945
Total of funds	4,361,904	2,611,627	(2,841,207)	-	347,000	4,479,324

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

15. Statement of funds (continued)

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

Restricted general fund

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

This pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset fund

This fund represents grants received from the DfE, ESFA and Local Authority to carry out works of a capital nature.

Designated Funds

Designated funds comprise unrestricted funds that have been used by the directors for a particular purpose. The funds have been used for the construction of a new school building during the previous financial period.

Transfers between funds

Transfers between funds relate to fixed asset purchases from GAG.

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.

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
School building	389,399	-	(7,965)	5,402	-	386,836
Unrestricted funds	<u>135,366</u>	<u>28,079</u>	<u>(13,594)</u>	<u>(5,402)</u>	<u>-</u>	<u>144,449</u>
Restricted funds						
General Annual Grant (GAG)	458,942	2,005,292	(1,865,273)	(92,668)	-	506,293
Other DfE/EFA grants	-	384,781	(384,781)	-	-	-
Other government grants	-	150,683	(150,683)	-	-	-
Other grants	-	3,359	(3,359)	-	-	-
Other funding generated	-	69,833	(69,833)	-	-	-
School fund	7,403	1,150	-	-	-	8,553
Pension reserve	(2,229,000)	-	(253,000)	-	432,000	(2,050,000)
	<u>(1,762,655)</u>	<u>2,615,098</u>	<u>(2,726,929)</u>	<u>(92,668)</u>	<u>432,000</u>	<u>(1,535,154)</u>
Restricted fixed asset funds						
Gift from Local Authority	5,280,677	-	(100,252)	-	-	5,180,425
DfE/EFA Capital Grants	11,805	9,027	(4,725)	-	-	16,107
Capital expenditure from GAG	101,940	-	(34,597)	92,668	-	160,011
Lottery grant	-	9,490	(260)	-	-	9,230
	<u>5,394,422</u>	<u>18,517</u>	<u>(139,834)</u>	<u>92,668</u>	<u>-</u>	<u>5,365,773</u>
Total restricted funds	<u>3,631,767</u>	<u>2,633,615</u>	<u>(2,866,763)</u>	<u>-</u>	<u>432,000</u>	<u>3,830,619</u>
Total of funds	<u>4,156,532</u>	<u>2,661,694</u>	<u>(2,888,322)</u>	<u>-</u>	<u>432,000</u>	<u>4,361,904</u>

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

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 £
Designated funds						
School building	389,399	-	(16,020)	5,402	-	378,781
General funds						
Unrestricted funds	135,366	28,079	(13,594)	(5,402)	-	144,449
	-	23,517	(12,368)	-	-	11,149
Total Unrestricted funds	524,765	51,596	(41,982)	-	-	534,379
Restricted funds						
General Annual Grant (GAG)	458,942	3,983,899	(3,815,730)	(129,291)	-	497,820
Other DfE/EFA grants	-	763,038	(763,038)	-	-	-
Other government grants	-	299,708	(299,708)	-	-	-
Other grants	-	6,922	(6,922)	-	-	-
Other funding generated	-	138,350	(138,350)	-	-	-
School fund	7,403	2,300	(70)	-	-	9,633
Pension reserve	(2,229,000)	-	(377,000)	-	779,000	(1,827,000)
	(1,762,655)	5,194,217	(5,400,818)	(129,291)	779,000	(1,319,547)
Restricted fixed asset funds						
Gift from Local Authority	5,280,677	-	(200,504)	41,868	-	5,122,041
DfE/EFA Capital Grants	11,805	18,018	(11,280)	(343)	-	18,200
Capital expenditure from GAG	101,940	-	(72,637)	87,016	-	116,319
Lottery grant	-	9,490	(2,308)	750	-	7,932
	5,394,422	27,508	(286,729)	129,291	-	5,264,492
	3,631,767	5,221,725	(5,687,547)	-	779,000	3,944,945
Total of funds	4,156,532	5,273,321	(5,729,529)	-	779,000	4,479,324

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

16. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	378,781	-	5,264,492	5,643,273
Current assets	155,598	722,261	5,248	883,107
Creditors due within one year	-	(214,808)	(5,248)	(220,056)
Provisions for liabilities and charges	-	(1,827,000)	-	(1,827,000)
	<u>534,379</u>	<u>(1,319,547)</u>	<u>5,264,492</u>	<u>4,479,324</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	386,836	-	5,365,773	5,752,609
Current assets	144,449	693,004	14,894	852,347
Creditors due within one year	-	(178,158)	(14,894)	(193,052)
Provisions for liabilities and charges	-	(2,050,000)	-	(2,050,000)
	<u>531,285</u>	<u>(1,535,154)</u>	<u>5,365,773</u>	<u>4,361,904</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)	(229,580)	(226,628)
Adjustment for:		
Depreciation charges	154,950	147,799
Dividends, interest and rents from investments	(1,085)	(977)
Decrease/(increase) in debtors	17,381	(8,070)
Increase/(decrease) in creditors	27,003	(113,741)
Capital grants from DfE and other capital income	(8,991)	(9,027)
Defined benefit pension scheme cost less contributions payable	73,000	205,000
Defined benefit pension scheme finance cost	51,000	48,000
Net cash provided by operating activities	<u>83,678</u>	<u>42,356</u>

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

18. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	802,212	754,072
Total	<u>802,212</u>	<u>754,072</u>

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 Wolverhampton City 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.

Contributions amounting to £30,192 were payable to the schemes at 31 August 2018 (2017 - 31,200) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

19. Pension commitments (continued)

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 £138,663 (2017 - £131,861).

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

Under the definitions set out in FRS 102, the TPS is 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 £260,000 (2017 - £125,000), of which employer's contributions totalled £218,000 (2017 - £88,000) and employees' contributions totalled £42,000 (2017 - £37,000). The agreed contribution rates for future years are 13% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions	2.30 %	2.70 %

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	21.9 years	21.8 years
Females	24.4 years	24.3 years
Retiring in 20 years		
Males	24.1 years	24.0 years
Females	26.7 years	26.6 years

	At 31 August 2018 £'000	At 31 August 2017 £'000
Sensitivity analysis		
Discount rate +0.1%	2,514	2,477
Discount rate -0.1%	2,656	2,617
Mortality assumption - 1 year increase	2,668	2,629
Mortality assumption - 1 year decrease	2,502	2,465

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

19. Pension commitments (continued)

CPI rate +0.1%	2,645	2,561
CPI rate -0.1%	2,525	2,531

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	480	314
Debt instruments	82	55
Property	61	36
Other	134	91
Total market value of assets	757	496

The actual return on scheme assets was £7,000 (2017 - £59,000).

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

	2018 £	2017 £
Current service cost	(291,000)	(293,000)
Interest income	16,000	8,000
Interest cost	(67,000)	(56,000)
Total	(342,000)	(341,000)

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

	2018 £	2017 £
Opening defined benefit obligation	2,546,000	2,519,000
Current service cost	291,000	293,000
Interest cost	67,000	56,000
Employee contributions	42,000	37,000
Actuarial gains	(356,000)	(351,000)
Benefits paid	(6,000)	(8,000)
Closing defined benefit obligation	2,584,000	2,546,000

Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

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	496,000	290,000
Interest income	16,000	8,000
Actuarial gains/(losses)	(9,000)	81,000
Employer contributions	218,000	88,000
Employee contributions	42,000	37,000
Benefits paid	(6,000)	(8,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	757,000	496,000
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Smith's Wood Primary Academy Limited
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2018

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 £
Amounts payable:		
Within 1 year	201,181	201,183
Between 1 and 5 years	200,090	205,944
Total	<u>401,271</u>	<u>407,127</u>

21. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

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

No related party transactions took place in the period of account.

22. 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.