

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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<b>Trustees</b>	P Weir, Chair <sup>1</sup> M Cox, Vice Chair (resigned 14 September 2014) V McLaren, Head Teacher <sup>1</sup> P Ashdown <sup>1</sup> J Baker (resigned 1 July 2015) K M Barrett R Davies S Franklin G Grayson (resigned 13 July 2015) A-J MacLaughlin <sup>1</sup> T Moran P Richardson C Short M Simpson <sup>1</sup> R Waylen (resigned 1 July 2015) <sup>1</sup> D Mackman (appointed 20 October 2014) <sup>1</sup> C Webb (appointed 20 October 2014) <sup>1</sup> L Mayes (appointed 20 October 2014) <sup>1</sup> C Hobson (appointed 25 May 2015) T Beach (appointed 25 May 2015)
	<sup>1</sup> Finance & Staffing Committee
<b>Company registered number</b>	07685652
<b>Principal and Registered office</b>	Lethbridge Road Swindon Wiltshire SN1 4BY
<b>Accounting officer</b>	V McLaren
<b>Senior management team</b>	V McLaren, Headteacher L Mayes, Deputy Headteacher T Moran, EYFS Phase Leader (14/15) K Pleasant, EYFS Phase Leader (15/16) C Valderey, Yr 1/2 Phase Leader (14/15) and EYFS Phase Leader (15/16) L Pryke, Yr 1/2 Phase Leader (15/16) C Short, Yr 3/4 Phase Leader C Harmer, Yr 5/6 Phase Leader C Millen, School Business Manager
<b>Independent auditors</b>	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND  
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**Administrative details (continued)**

**Bankers**

Lloyds Bank Plc  
5 High Street  
Swindon  
SN1 3EN

**Solicitors**

Swindon Borough Council  
Civic Offices  
Euclid Street  
Swindon  
SN1 2JH

**LETHBRIDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 11 in Old Town, Swindon. It has a pupil capacity of 490 and had a roll of 486 in the school census on 30 January 2015.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy 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.

The Trustees of Lethbridge Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lethbridge Primary School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they cease to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

**TRUSTEES**

**Method of recruitment and appointment or election of Trustees**

On 1 August 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 8 Community Trustees who are appointed by members;
- up to 6 Parent Trustees who are elected by the Parents of registered pupils at the Academy subject to there being a minimum of 2;
- up to 4 Staff Trustees who are elected by members of staff subject to the total number not exceeding one third of the total number of Trustees; and
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

**LETHBRIDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees follows the Induction Policy which is available from the Clerk. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Academy purchases services from Swindon Borough Council's Trustees Support Service including access to Trustee Briefings and training. Advantage is also taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Full Governing Body normally meets once each term. The Full Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Full Governing Body approved a new Governance structure from 1 September 2014 with the formation of a Finance & Staffing Committee whose terms of reference are;

- To recommend a strategic premises plan identifying the school's long term aims and one year objectives in order to achieve them;
- To prioritise, initiate and evaluate programmes of improvement and development, including specific premises projects, all in accordance with the school's Health & Safety Policy;
- To receive and monitor regular financial reports, make any necessary virements and exercise internal financial control; and
- In accordance with the Staffing and Pay Policy, make decisions concerning the Deployment, Recruitment, Appointment and Staff Development for all staff and to review the appraisal policy.

Individual Trustees are encouraged to act as Link Trustees for specific areas of school activity as prioritised by the School Development Plan.

The following decisions are reserved to the full Governing Body; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual School Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Phase Leaders and the School Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

**Connected Organisations, including Related Party Relationships**

There are no related parties that either control or significantly influence the decisions and operations of Lethbridge Primary School.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

At Lethbridge Primary School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

This is summarised in our vision statement:

Live, learn and achieve at Lethbridge!

At Lethbridge, our GOAL is that we will to connect with the world Globally, we will value Ourselves, we expect that All of us work together and we will help everyone to Learn.

### **Objectives, Strategies and Activities**

Key priorities for the year were set out in the School Development Plan for 2014/15 which is available from the Office. Improvement focuses identified for the year include

1. Overall Effectiveness
  - Progress and attainment of pupils are outstanding;
  - There are high expectation of all staff and pupils; and
  - Values underpin everything in school, encouraging children to be well-rounded, aspirational, independent and confident learners.
2. Achievement (Attainment and Progress)
  - Maintain or improve all measured achievement;
  - Focus on the progress of lower attainers (and pupil premium children) making below our expected progress; and
  - Improve progress through setting next steps.
3. Behaviour and Safety
  - Staff have a consistent and highly skilled approach to behaviour management;
  - Pupils display positive attitudes to learning;
  - The Harmony project is rolled out through the school; and
  - Improve safety at front of school.
4. Teaching and Learning
  - All teaching is good and an increasing percentage is outstanding
  - Teachers provide and promote more opportunities for independent learning
  - High expectations are expected of all learners
5. Leadership and Management
  - There is a culture of high expectations for everyone within the school;
  - Everyone is accountable for the success of the pupils in school; and
  - Governors hold leaders to account for the performance of pupils and are involved in the strategic direction of the school.
6. Community and Marketing
  - Improve new Reception area at front of school;
  - More community groups accessing our facilities;
  - Invite local businesses to be more involved in the school; and
  - Develop role of Travel Ambassadors.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

7. Finance - including capital projects
- Set up a forest schools area;
  - Apply for a capital grant to put in all weather surface area in KS1 incorporating grassed area and garden area;
  - Ensure that catering budget is controlled with high number of meals being prepared; and
  - Consider other ways in generating extra income.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational use by the community to enhance the links with the community.

**STRATEGIC REPORT**

**Achievements and Performance**

This was the fourth year of operation of the School as an Academy. The greater financial resources and freedom that this gave has enabled the school to build on the foundations of previous years by focusing our efforts on raising achievement across the school, giving staff the tools and resources to support the learning, and providing the infrastructure to bring it all together.

The school was inspected by OFSTED in June 2013 and was rated as Good in its overall effectiveness. The Achievement of Pupils, Quality of Teaching, Leadership and Management were all rated as Good, with Behaviour and Safety of pupils rated Outstanding. This is a significant improvement for the school which was previously rated as 'satisfactory' in 2010. For the year under review the School has been working hard to maintain the high standards set, address the issues of improvements highlighted by the OFSTED report and achieve the targets set by the School Improvement Plan. Progress in KS1 and KS2, as demonstrated below, has been outstanding and will be well above the national average in all areas. The latest self evaluation of the School considers the school to be Outstanding.

The school's results below demonstrate quality of teaching and overall success of the school's approach. The data below shows 2015 results and trends against previous 4 years.

Key Stage 1

Reading	Level 2+		Level 2B+		Level 3	
	Lethbridge	National	Lethbridge	National	Lethbridge	National
2010	87.1%	85%	84.3%	76%	42.9%	30%
2011	91.3%	85%	88.4%	74%	40.6%	26%
2012	94.2%	85%	92.8%	74%	53.6%	26%
2013	94%	N/A	89%	N/A	50%	N/A
2013	97%	90%	94%	81%	53%	31%
2015	96%	N/A	93%	N/A	51%	N/A

Writing	Level 2+		Level 2B+		Level 3	
	Lethbridge	National	Lethbridge	National	Lethbridge	National
2010	81.4%	81%	65.7%	64%	14.3%	15%
2011	85.5%	81%	69.6%	61%	8.75	13%
2012	97.1%	81%	79.9%	61%	27.5%	13%
2013	91%	N/A	79%	N/A	24%	N/A
2014	96%	86%	87%	70%	30%	16%
2015	93%	N/A	85%	N/A	28%	N/A



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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

Maths	Level 2+		Level 2B+		Level 3	
	Lethbridge	National	Lethbridge	National	Lethbridge	National
2010	90%	89%	75.7%	76%	31.4%	25%
2011	97.1%	90%	89.9%	74%	34.8%	25%
2012	98.6%	90%	97.1%	74%	44.9%	25%
2013	97%	N/A	90%	N/A	40%	N/A
2014	97%	92%	96%	80%	46%	24%
2015	96%	N/A	94%	N/A	44%	N/A

  

Phonics	Lethbridge	National
2012	52%	58%
2013	70%	69%
2014	85%	74%
2015	83%	N/A

Key Stage 2

Reading	Level 4+		Level 5+		2 levels progress		> 2 levels progress	
	Lethbridge	National	Lethbridge	National	Lethbridge	National	Lethbridge	National
2010	94%	85%	74%	51%	78%	N/A		
2011	89%	84%	53%	42%	92%	N/A		
2012	97%	87%	71%	42%	89%	90%	24%	34%
2013	100%	86%	74%	44%	96%	88%	37%	30%
2014	97%^	89%	75%	49%	99%	91%	35%	35%
2015	100%	N/A	96%	N/A	100%	N/A	55%	N/A

Writing	Level 4+		Level 5+		2 levels progress		> 2 levels progress	
	Lethbridge	National	Lethbridge	National	Lethbridge	National	Lethbridge	National
2010	80%	71%	16%	21%	70%	N/A		
2011	59%	75%	9%	20%	61%	N/A		
2012	90%	75%	39%	20%	91%	90%	42%	287%
2013	90%	83%	44%	30%	99%	91%	43%	30%
2014	91%	85%	46%	33%	100%	93%	38%	33%
2015	97%	N/A	61%	N/A	100%	N/A	67%	N/A

Maths	Level 4+		Level 5+		2 levels progress		> 2 levels progress	
	Lethbridge	National	Lethbridge	National	Lethbridge	National	Lethbridge	National
2010	93%	80%	50%	34%	96%	83%		
2011	86%	80%	40%	35%	90%	82%		
2012	94%	84%	64%	39%	87%	87%	34%	28%
2013	97%	85%	74%	41%	100%	88%	62%	31%
2014	93%	86%	49%	42%	94%	89%	38%	35%
2015	97%	N/A	78%	N/A	100%	N/A	61%	N/A

The basis of these results is that the School is a happy, caring environment where children feel secure and enable to succeed. The Academy is committed to providing children with an amazing learning experience that incorporates all aspects of the child's development. There have been many visits, a huge number of visitors, many after-school clubs covering interests from sport to gardening to computing, opportunities for children to perform in their productions and assemblies, celebrations of local and national events, and the many activities organised by the Friends who raise significant funds for the benefit of pupils at Lethbridge School.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £65,329 of GAG was carried forward which represents 4.3% of GAG. In addition to the GAG the trust held unrestricted funds at the Balance Sheet date of £185,018.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014/15 this was 95%.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2014/15 were 486. It is anticipated that this number will remain reasonably stable and may increase by one or two.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure of £2,038,855 was covered by recurrent grant funding from the DfE, together with other incoming resources of £2,021,637 (excluding restricted fixed asset funds and pension scheme liabilities). The excess of income over expenditure for the year was (£17,218).

At 31 August 2015 the net book value of fixed assets was £3,750,769 and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £3,681,384. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy took on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The movement on the deficit in the scheme in the year is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Trustees have adopted a Responsible Officer Policy and appointed Financial Services 4 Schools Ltd to undertake a programme of internal checks on financial controls. During the year, the Trustees received four reports from Financial Services 4 Schools Ltd which contained no matters of significance.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Investment Policy**

The level of reserves will be determined by Trustees annually to provide a prudent level of reserves to meet the long term cyclical needs of the Academy and short term cash flow requirements needs and to meet unforeseen contingencies. Although these levels can fluctuate depending on operational needs the Trustees have determined that the Academy should aim to have a minimum of £100,000 or the maximum permitted by the EFA.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 92% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers especially with a new primary school being opened in the area. Trustees recognise that educational standards need to continue to improve and closely monitor achievement to ensure this happens. In addition, Trustees realise that the Academy needs to market its achievements more proactively and will put in place activities to do this.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The specific ways that the Academy will seek to achieve these objectives are in the School Improvement Plan for 2015/16.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**LETHBRIDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 30 November 2015 and signed on the board's behalf by:



**P Weir**  
Chair of Trustees

**LETHBRIDGE PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lethbridge Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Weir	5	5
V McLaren	5	5
P Ashdown	4	5
J Baker	1	4
K M Barrett	5	5
R Davies	3	5
S Franklin	5	5
G Grayson	5	5
A-J MacLaughlin	4	5
T Moran	4	5
P Richardson	5	5
C Short	4	5
M Simpson	3	5
R Waylen	1	4
D Mackman	5	5
C Webb	5	5
L Mayes	4	5
C Hobson	1	1
T Beach	1	1

The Finance & Staffing Committee is a sub-committee of the main Board of Trustees which receives and monitors regular financial reports, makes any necessary virements and exercise internal financial control against the Annual Budget, and receives reports from the Responsible Officer. The committee also oversees the school's premises plan and to prioritise, initiate and evaluate programmes of improvement and development, including specific premises projects, all in accordance with the school's Health & Safety Policy.

**LETHBRIDGE PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Weir	4	4
D Mackman	4	4
V McLaren	4	4
P Ashdown	4	4
L Mayes	4	4
A Maclaughlin	1	4
C Webb	4	4
M Simpson	2	4
R Waylen	2	4

**REVIEW OF VALUE FOR MONEY**

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

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

- Achieving the best standards in the history of the school. The school is in the 7th percentile of all schools nationally for Reading, Writing and Maths. All children made at least expected progress and the percentage achieving better than expected progress was well above the national average in all areas. FSM children achieve better than the national average. These excellent standards have been achieved through outstanding teaching and learning, investment in the best staff and training.
- We have developed a community forest school area at the side of the school. We applied for 2 grants towards this work, Condition Improvement Funding Grant for replacing large areas of our perimeter fencing and an 'Awards for All' grant. These grants have helped to make the area safe for children and to develop it into a useable and useful area for the local community. Local businesses and the scout organisation helped to prepare the area and now we have a safe, green space for children and families to use in an otherwise built-up area.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lethbridge Primary School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance & Premises 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Financial Services for Schools Ltd (FS4S) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of FS4S's work have been identified.

**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Premises 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 30 November 2015 and signed on its behalf, by:



**P Weir**  
Chair of Governors



**V McLaren**  
Accounting Officer

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Lethbridge Primary School I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**V McLaren**  
Accounting Officer

Date: 30 November 2015



**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 EFA/DfE have been applied for the purposes intended.

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

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



**P Weir**  
Chair of Trustees

**Date: 30 November 2015**

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LETHBRIDGE PRIMARY SCHOOL**

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We have audited the financial statements of Lethbridge Primary School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

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

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LETHBRIDGE PRIMARY SCHOOL**

---

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

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

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



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

2/12/2015

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lethbridge Primary School during the year 1 September 2014 to 31 August 2015 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 Lethbridge Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lethbridge Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lethbridge Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LETHBRIDGE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Lethbridge Primary School's funding agreement with the Secretary of State for Education dated July 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 2/12/2015

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	3,108	78,889	-	81,997	86,920
Activities for generating funds	3	11,064	10,000	-	21,064	19,234
Investment income	4	381	-	-	381	713
Incoming resources from charitable activities	5	43,970	1,874,225	99,222	2,017,417	1,817,656
<b>TOTAL INCOMING RESOURCES</b>		<b>58,523</b>	<b>1,963,114</b>	<b>99,222</b>	<b>2,120,859</b>	<b>1,924,523</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		44,436	1,982,709	92,703	2,119,848	1,857,982
Governance costs	9	-	11,710	-	11,710	12,080
<b>TOTAL RESOURCES EXPENDED</b>	6	<b>44,436</b>	<b>1,994,419</b>	<b>92,703</b>	<b>2,131,558</b>	<b>1,870,063</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		14,087	(31,305)	6,519	(10,699)	54,460
Transfers between Funds	18	-	(16,222)	16,222	-	-
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<b>14,087</b>	<b>(47,527)</b>	<b>22,741</b>	<b>(10,699)</b>	<b>54,460</b>
Actuarial gains and losses on defined benefit pension schemes		-	(9,000)	-	(9,000)	(182,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>14,087</b>	<b>(56,527)</b>	<b>22,741</b>	<b>(19,699)</b>	<b>(127,540)</b>
Total funds at 1 September		170,931	(374,050)	3,728,028	3,524,909	3,652,449
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>185,018</b>	<b>(430,577)</b>	<b>3,750,769</b>	<b>3,505,210</b>	<b>3,524,909</b>

All of the Academy's activities derive from continuing activities in the current financial period. The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 41 form part of these financial statements.

**LETHBRIDGE PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07685652**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>3,750,769</b>		3,718,236
<b>CURRENT ASSETS</b>					
Debtors	15	<b>91,443</b>		90,631	
Cash at bank and in hand		<b>351,328</b>		358,020	
			<b>442,771</b>		448,651
<b>CREDITORS: amounts falling due within one year</b>	16	<b>(195,713)</b>		(195,926)	
<b>NET CURRENT ASSETS</b>			<b>247,058</b>		252,725
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,997,827</b>		3,970,961
<b>CREDITORS: amounts falling due after more than one year</b>	17		<b>(52,617)</b>		(47,052)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<b>3,945,210</b>		3,923,909
Defined benefit pension scheme liability	25		<b>(440,000)</b>		(399,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>3,505,210</b>		3,524,909
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	18	<b>9,423</b>		24,950	
Fixed asset funds	18	<b>3,750,769</b>		3,728,028	
Restricted funds excluding pension liability		<b>3,760,192</b>		3,752,978	
Pension reserve		<b>(440,000)</b>		(399,000)	
Total restricted funds			<b>3,320,192</b>		3,353,978
Unrestricted funds	18		<b>185,018</b>		170,931
<b>TOTAL FUNDS</b>			<b>3,505,210</b>		3,524,909

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:



**P Weir**  
**Chair of Trustees**

The notes on pages 23 to 41 form part of these financial statements.

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	20	24,229	124,686
Returns on investments and servicing of finance	21	(1,512)	(912)
Capital expenditure and financial investment	21	(26,014)	22
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(3,297)</b>	123,796
Financing	21	(3,395)	(2,842)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(6,692)</b>	120,954

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(6,692)	120,954
Cash outflow from decrease in debt and lease financing	3,395	2,842
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(3,297)</b>	123,796
Non cash movement on Equal Pay loan	(9,407)	-
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(12,704)</b>	123,796
Net funds at 1 September 2014	308,126	184,330
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>295,422</b>	308,126

The notes on pages 23 to 41 form part of these financial statements.



**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, the Academies Accounts Direction 2014/15 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**1.2 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

**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.

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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOMING RESOURCES**

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

**1.5 RESOURCES EXPENDED**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	125 years straight line
Long term leasehold property	-	50 years straight line
Fixtures and fittings	-	7 years straight line
Computer equipment	-	5 years straight line

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities 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 PENSIONS**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Donations	<b>3,108</b>	<b>78,889</b>	<b>81,997</b>	86,920

**3. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Lettings	<b>11,064</b>	-	<b>11,064</b>	19,234
Trainee teacher income	-	<b>10,000</b>	<b>10,000</b>	-
	<b>11,064</b>	<b>10,000</b>	<b>21,064</b>	19,234

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Bank interest	<b>381</b>	-	<b>381</b>	713

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA grants</b>				
Capital Grants	-	99,222	99,222	59,127
General Annual Grant	-	1,530,627	1,530,627	1,555,670
Other DfE/EFA grants	-	217,710	217,710	79,138
	<u>-</u>	<u>1,847,559</u>	<u>1,847,559</u>	<u>1,693,935</u>
<b>Other Government grants</b>				
High needs income	-	86,308	86,308	41,913
Other government grants non capital	-	13,000	13,000	2,964
	<u>-</u>	<u>99,308</u>	<u>99,308</u>	<u>44,877</u>
<b>Other funding</b>				
Internal catering income	34,690	-	34,690	55,368
Other	9,280	26,580	35,860	23,475
	<u>43,970</u>	<u>26,580</u>	<u>70,550</u>	<u>78,843</u>
	<u>43,970</u>	<u>1,973,447</u>	<u>2,017,417</u>	<u>1,817,655</u>

**6. RESOURCES EXPENDED**

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other 2015 £	Total 2015 £	Total 2014 £
Direct costs	1,172,218	63,486	224,616	1,460,320	1,344,227
Support costs	285,635	178,437	195,456	659,528	513,756
<b>CHARITABLE ACTIVITIES</b>	<u>1,457,853</u>	<u>241,923</u>	<u>420,072</u>	<u>2,119,848</u>	<u>1,857,983</u>
<b>GOVERNANCE</b>	<u>2,100</u>	<u>-</u>	<u>9,610</u>	<u>11,710</u>	<u>12,080</u>
	<u>1,459,953</u>	<u>241,923</u>	<u>429,682</u>	<u>2,131,558</u>	<u>1,870,063</u>

**LETHBRIDGE PRIMARY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**7. DIRECT COSTS**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Educational supplies	161,227	132,337
Staff development	17,845	14,385
Supply teachers	6,920	6,306
Recruitment and support	9,407	1,230
Wages and salaries	936,264	907,546
National insurance	53,227	53,284
Pension cost	182,727	141,463
Depreciation	92,703	87,676
	<b>1,460,320</b>	<b>1,344,227</b>

**8. SUPPORT COSTS**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Pension finance costs	2,000	3,000
Other costs	8,299	7,093
Recruitment and support	750	550
Maintenance of premises and equipment	106,145	24,048
Cleaning	41,007	39,913
Rent and rates	9,907	12,643
Energy costs	21,378	21,252
Insurance	20,228	21,735
Catering	45,065	32,275
Technology costs	21,270	24,148
Office overheads	29,020	19,338
Legal and professional	66,931	44,480
Bank interest and charges	1,893	1,628
Wages and salaries	238,072	217,943
National insurance	10,793	10,649
Pension cost	36,770	33,061
	<b>659,528</b>	<b>513,756</b>

**9. GOVERNANCE COSTS**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Auditors' remuneration	5,350	4,775
Auditors' remuneration - non-audit	1,750	2,363
Responsible Officer costs	425	850
Legal and professional	2,085	2,075
Wages and salaries	2,100	2,017
	<b>11,710</b>	<b>12,080</b>

**LETHBRIDGE PRIMARY SCHOOL  
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**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	<b>2015</b>	<b>2014</b>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>92,703</b>	87,677
Auditors' remuneration	<b>5,350</b>	4,775
Auditors' remuneration - non-audit	<b>1,750</b>	2,363
	<u><u>          </u></u>	<u><u>          </u></u>

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries	<b>1,169,516</b>	1,121,198
Social security costs	<b>64,020</b>	63,933
Pension costs	<b>219,497</b>	174,524
	<u>          </u>	<u>          </u>
	<b>1,453,033</b>	1,359,655
Supply teacher costs	<b>6,920</b>	6,306
	<u>          </u>	<u>          </u>
	<b>1,459,953</b>	1,365,961
	<u><u>          </u></u>	<u><u>          </u></u>

**b. Staff numbers**

The average number of persons (including the SLT) employed by the Academy during the year expressed as full time equivalents was as follows:

	<b>2015</b>	<b>2014</b>
	No.	No.
Teachers	<b>17</b>	18
Administration and support	<b>29</b>	32
Management	<b>2</b>	2
	<u>          </u>	<u>          </u>
	<b>48</b>	52
	<u><u>          </u></u>	<u><u>          </u></u>

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2015</b>	<b>2014</b>
	No.	No.
In the band £60,001 - £70,000	<b>1</b>	1
	<u>          </u>	<u>          </u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for this member amounted to £9,492 (2014: £8,940)

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 5 Trustees (2014: 4) in respect of defined benefit schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher 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: V McLaren: Remuneration £65,000 - £70,000 (2014: £60,000 - £65,000), Employer's Pension Contributions £5,000 - £10,000 (2014: £5,000 - £10,000), L Mayes: Remuneration £35,000 - £40,000 (2014: £Nil), Employer's Pension Contributions £5,000 - £10,000 (2014: £Nil), T Moran: Remuneration £30,000 - £35,000 (2014: £25,000 - £30,000), Employer's Pension Contribution £0 - £5,000 (2014: £0 - £5,000), C Short: Remuneration £40,000 - £45,000 (2014: £35,000 - £40,000), Employer's Pensions Contributions £5,000 - £10,000 (2014: £0 - £5,000), C Webb: Remuneration £20,000 - £30,000 (2014: £Nil) Employer's Pension Contributions £5,000 - £10,000 (2014: £Nil).

During the year, travel and subsistence expenses totalling £3,969 (2014: £916) were reimbursed to 5 (2014: 4) Trustees.

**13. 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. For the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £1,971).

**14. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2014	3,790,457	89,856	68,053	3,948,366
Additions	61,379	31,984	31,873	125,236
At 31 August 2015	<u>3,851,836</u>	<u>121,840</u>	<u>99,926</u>	<u>4,073,602</u>
<b>DEPRECIATION</b>				
At 1 September 2014	174,083	28,424	27,623	230,130
Charge for the year	63,486	13,899	15,318	92,703
At 31 August 2015	<u>237,569</u>	<u>42,323</u>	<u>42,941</u>	<u>322,833</u>
<b>NET BOOK VALUE</b>				
At 31 August 2015	<u>3,614,267</u>	<u>79,517</u>	<u>56,985</u>	<u>3,750,769</u>
At 31 August 2014	<u>3,616,374</u>	<u>61,432</u>	<u>40,430</u>	<u>3,718,236</u>



**LETHBRIDGE PRIMARY SCHOOL  
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FOR THE YEAR ENDED 31 AUGUST 2015**

**15. DEBTORS**

	<b>2015</b>	2014
	£	£
Trade debtors	<b>3,391</b>	5,912
VAT recoverable	<b>23,693</b>	23,498
Prepayments and accrued income	<b>64,359</b>	61,221
	<u><b>91,443</b></u>	<u>90,631</u>

**16. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	2014
	£	£
Other loans	<b>3,289</b>	2,842
Other taxation and social security	<b>19,055</b>	20,812
Other creditors	<b>10,269</b>	24,572
Accruals and deferred income	<b>163,100</b>	147,700
	<u><b>195,713</b></u>	<u>195,926</u>

**DEFERRED INCOME**

Deferred income at 1 September 2014	<b>76,583</b>
Resources deferred during the year	<b>72,462</b>
Amounts released from previous years	<b>(76,583)</b>
Deferred income at 31 August 2015	<u><b>72,462</b></u>

The deferred income at the year end consists of universal infant free school meals and high needs income which relates to the 2015/16 academic year, as well as money received in advance for school trips due to take place in the new academic year.

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**17. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2015</b>	2014
	£	£
Other loans	<b>52,617</b>	47,052

Included within the above are amounts falling due as follows:

	<b>2015</b>	2014
	£	£

**BETWEEN ONE AND TWO YEARS**

Other loans	<b>3,289</b>	2,842
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**BETWEEN TWO AND FIVE YEARS**

Other loans	<b>9,866</b>	8,526
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**OVER FIVE YEARS**

Other loans	<b>39,462</b>	35,684
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Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2015</b>	2014
	£	£
Repayable by instalments	<b>39,462</b>	35,684

The Equal Pay loan relates to amounts due to Swindon Unitary Authority in respect of an equal pay claim which arose prior to conversion to an academy. The total amount due is unsecured and repayable in annual instalments of £5,288 (2014: £4,470) over 17 years. Interest is being charged at a rate of 4.93% per annum. The total amount outstanding at the year end was £55,906 (2014: £49,894).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	<b>170,931</b>	<b>58,523</b>	<b>(44,436)</b>	-	-	<b>185,018</b>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	74,844	1,530,627	(1,520,525)	(19,617)	-	65,329
High Needs	-	86,308	(86,308)	-	-	-
Pupil Premium	-	69,603	(69,603)	-	-	-
PE Grant	-	10,060	(10,060)	-	-	-
Donations	-	78,889	(78,889)	-	-	-
Other DfE/EFA Income	-	63,320	(63,320)	-	-	-
Other restricted income	-	39,580	(39,580)	-	-	-
Equal pay loan	(49,894)	-	(9,407)	3,395	-	(55,906)
Universal infant free school meals	-	74,727	(74,727)	-	-	-
Trainee teacher income	-	10,000	(10,000)	-	-	-
Pension reserve	(399,000)	-	(32,000)	-	(9,000)	(440,000)
	<b>(374,050)</b>	<b>1,963,114</b>	<b>(1,994,419)</b>	<b>(16,222)</b>	<b>(9,000)</b>	<b>(430,577)</b>

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

**RESTRICTED FIXED ASSET FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	3,595,435	-	(71,081)	-	-	3,524,354
Fixed assets purchased from GAG	13,299	-	(8,836)	16,222	-	20,685
DfE/EFA Capital grants	71,964	89,800	(1,957)	-	-	159,807
Capital rollover brought forward	16,219	-	(3,093)	-	-	13,126
Devolved formula capital	21,432	9,422	(5,884)	-	-	24,970
Donations	6,873	-	(1,310)	-	-	5,563
Insurance receipts	2,806	-	(542)	-	-	2,264
	<u>3,728,028</u>	<u>99,222</u>	<u>(92,703)</u>	<u>16,222</u>	<u>-</u>	<u>3,750,769</u>
Total restricted funds	<u>3,353,978</u>	<u>2,062,336</u>	<u>(2,087,122)</u>	<u>-</u>	<u>(9,000)</u>	<u>3,320,192</u>
Total of funds	<u><u>3,524,909</u></u>	<u><u>2,120,859</u></u>	<u><u>(2,131,558)</u></u>	<u><u>-</u></u>	<u><u>(9,000)</u></u>	<u><u>3,505,210</u></u>

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the Educational Funding Agency (EFA) which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

The PE grant represent funding from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Other restricted income represent various small restricted funds received.

Donations represent money received from parents for educational visits and extra-curriculum activities.

The Equal Pay Loan is amounts due to Swindon Unitary Authority and arose to fund the salaries paid to certain employees following disputes on equal pay. Annual repayments are made out of GAG funding.

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

The pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Swindon Unitary Authority on conversion to an academy.

Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA capital grants represents funding from the EFA to cover the maintenance or purchase of Academy assets. During the period CIF income was received to construct new fencing around the perimeter of the school.

Capital rollover represents capital funds transferred to the Academy on conversion from Swindon Unitary Authority.

Devolved Formula Capital funds represent amounts spent from this EFA grant on fixed assets

Donations are amounts received from Friends of Lethbridge to purchase new iPads.

Insurance represents a claim received to purchase a new boiler.

**OTHER INFORMATION**

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 2015.

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	3,750,769	3,750,769	3,718,235
Current assets	185,018	257,753	-	442,771	448,651
Creditors due within one year	-	(195,713)	-	(195,713)	(195,925)
Creditors due in more than one year	-	(52,617)	-	(52,617)	(47,052)
Pension scheme liability	-	(440,000)	-	(440,000)	(399,000)
	<u>185,018</u>	<u>(430,577)</u>	<u>3,750,769</u>	<u>3,505,210</u>	<u>3,524,909</u>

**LETHBRIDGE PRIMARY SCHOOL  
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**20. NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2015</b>	2014
	£	£
Net incoming resources before revaluations	<b>(10,699)</b>	54,460
Returns on investments and servicing of finance	<b>1,512</b>	912
Depreciation of tangible fixed assets	<b>92,703</b>	87,677
Capital grants received	<b>(99,222)</b>	(68,561)
Increase in debtors	<b>(809)</b>	(70,268)
Increase in creditors	<b>8,744</b>	112,466
Defined benefit pension scheme adjustments	<b>32,000</b>	8,000
	<u><b>24,229</b></u>	<u>124,686</u>
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u><b>24,229</b></u>	<u>124,686</u>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2015</b>	2014
	£	£
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<b>381</b>	716
Interest paid	<b>(1,893)</b>	(1,628)
	<u><b>(1,512)</b></u>	<u>(912)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u><b>(1,512)</b></u>	<u>(912)</u>

	<b>2015</b>	2014
	£	£
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	<b>(125,236)</b>	(68,539)
Capital grants from DfE	<b>99,222</b>	68,561
	<u><b>(26,014)</b></u>	<u>22</u>
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<u><b>(26,014)</b></u>	<u>22</u>

	<b>2015</b>	2014
	£	£
<b>FINANCING</b>		
Repayment of loans	<b>(3,395)</b>	(2,842)
	<u><b>(3,395)</b></u>	<u>(2,842)</u>

**LETHBRIDGE PRIMARY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	358,020	(6,692)	-	351,328
<b>DEBT:</b>				
Debts due within one year	(2,842)	-	(447)	(3,289)
Debts falling due after more than one year	(47,052)	3,395	(8,960)	(52,617)
<b>NET FUNDS</b>	<b>308,126</b>	<b>(3,297)</b>	<b>(9,407)</b>	<b>295,422</b>

**23. MEMBERS LIABILITY**

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

**24. CAPITAL COMMITMENTS**

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<b>40,145</b>	9,793

The above capital commitments at the previous year end related to the refurbishment of the reception area and were completed in the year. Capital commitments at 31 August 2015 relate to fencing work at the school which was ongoing at the year end.

**NOTES TO THE FINANCIAL STATEMENTS  
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**25. 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 Wiltshire Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2014.

Contributions amounting to £10,269 were payable to the scheme at 31 August 2015 (2014: £23,412) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The pension costs paid to TPS in the period amounted to £78,735 (2014: £79,241).

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



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**25. PENSION COMMITMENTS (continued)**

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £117,000, of which employer's contributions totalled £92,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 21.1% 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.

The amounts recognised in the Balance Sheet are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(1,222,000)</b>	(1,049,000)
Fair value of scheme assets	<b>782,000</b>	650,000
	<hr/>	<hr/>
Net liability	<b>(440,000)</b>	(399,000)
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(122,000)</b>	(77,000)
Interest on obligation	<b>(42,000)</b>	(34,000)
Expected return on scheme assets	<b>40,000</b>	31,000
	<hr/>	<hr/>
Total	<b>(124,000)</b>	(80,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>1,049,000</b>	694,000
Current service cost	<b>122,000</b>	77,000
Interest cost	<b>42,000</b>	34,000
Contributions by scheme participants	<b>25,000</b>	19,000
Actuarial (Gains)/losses	<b>(15,000)</b>	225,000
Benefits paid	<b>(1,000)</b>	-
	<hr/>	<hr/>
Closing defined benefit obligation	<b>1,222,000</b>	1,049,000
	<hr/> <hr/>	<hr/> <hr/>

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**25. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	2014
	£	£
Opening fair value of scheme assets	<b>650,000</b>	485,000
Expected return on assets	<b>40,000</b>	31,000
Actuarial gains and (losses)	<b>(24,000)</b>	43,000
Contributions by employer	<b>92,000</b>	72,000
Contributions by employees	<b>25,000</b>	19,000
Benefits paid	<b>(1,000)</b>	-
	<u><b>782,000</b></u>	<u>650,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £179,000 (2014: £170,000).

The Academy expects to contribute £92,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2015</b>	2014
Equities	<b>71.00 %</b>	71.00 %
Bonds	<b>15.00 %</b>	17.00 %
Property	<b>12.00 %</b>	10.00 %
Cash	<b>2.00 %</b>	2.00 %

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

	<b>2015</b>	2014
Discount rate for scheme liabilities	<b>3.80 %</b>	3.70 %
Expected return on scheme assets at 31 August	<b>3.80 %</b>	5.60 %
Rate of increase in salaries	<b>4.60 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.70 %

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

	<b>2015</b>	2014
Retiring today		
Males	<b>22.3 years</b>	22.3 years
Females	<b>24.5 years</b>	24.5 years
Retiring in 20 years		
Males	<b>24.1 years</b>	24.1 years
Females	<b>26.9 years</b>	26.9 years

**LETHBRIDGE PRIMARY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**25. PENSION COMMITMENTS (continued)**

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	<b>2015</b>	2014	2013	2012
	<b>£</b>	£	£	£
Defined benefit obligation	<b>(1,222,000)</b>	(1,049,000)	(694,000)	(560,000)
Scheme assets	<b>782,000</b>	650,000	485,000	348,000
Deficit	<b>(440,000)</b>	(399,000)	(209,000)	(212,000)
Experience adjustments on scheme liabilities	<b>15,000</b>	(225,000)	(19,000)	(41,000)
Experience adjustments on scheme assets	<b>(24,000)</b>	43,000	31,000	(17,000)

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	<b>2015</b>	2014
	<b>£</b>	£
<b>EXPIRY DATE:</b>		
Within 1 year	<b>11,906</b>	300
Between 2 and 5 years	<b>-</b>	11,906

**27. RELATED PARTY TRANSACTIONS**

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

During the year emergency ceiling repair work totalling £1,673 (2014: £Nil) was acquired from Old Town Property Developments Limited, a company of whom the spouse of L Mayes, a Trustee, is a director.

**28. CONTROLLING PARTY**

The Company is under joint control of the Trustees and therefore there is no ultimate controlling party.