

Company Registration Number: 07685652 (England and Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Trustees | L Crosby P Ashdown, Chair ¹ J Dearlove C Chew C Hobson ¹ T Beach (resigned 24 May 2019) A Davison ¹ C Harmer K M Barrett, Vice Chair ¹ L Mayes, Headteacher ¹ H Jackson (resigned 1 March 2019) ¹ N Maysey A Shakespeare ¹ C Short L Smith F Wall E Mann (appointed 25 May 2019) D Mackman ¹ C Webb ¹ A MacKenzie-Wilson (appointed 25 May 2019) A Fernow (appointed 25 May 2019) |
| | ¹ Finance & Staffing Committee |
| Company registered number | 07685652 |
| Company name | Lethbridge Primary School |
| Principal and Registered office | Lethbridge Road Swindon Wiltshire SN1 4BY |
| Accounting officer | L Mayes |
| Senior management team | L Mayes, Headteacher C Short, Deputy Headteacher- Phase 3/4 Leader C Harmer, Deputy Headteacher- Phase 5/6 Leader C Millen, School Business Manager L Pryke, Yr 1/2 Phase Leader C Valderey, EYFS Phase Leader E Corp, SENCO |
| Independent auditors | Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER |

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

| | |
|-------------------|---|
| Bankers | Lloyds Bank Plc 5 High Street Swindon SN1 3EN |
| Solicitors | Swindon Borough Council Civic Offices Euclid Street Swindon SN1 2JH |

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 484 in the school census on 23 October 2018.

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.

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 ceased 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 Academy has formed 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.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with performance management recommendations.

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.

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!

2018/19 saw the new senior leadership team that was appointed in 2017 fully established and working well together to achieve the aims of the academy. Progress and attainment data shows that the quality of teaching and learning is consistent across all year groups and for all groups of children. The quality of teaching and learning has been monitored closely through the year. The external School Improvement Partner has assisted in this and has particularly praised the quality of the school environment, consistency in the quality of teaching and learning and the high standard of outcomes evidenced in children's books from every class. The school's end of year results are testimony to the high quality of teaching, learning and assessment throughout. Key Stage 2 writing assessment was externally validated by Wiltshire Local Authority. The Year 1 phonics screening check was monitored by Swindon Local Authority and found to be undertaken correctly. Results for Lethbridge Primary School were 91.2% pass. This is a 1% increase from last year and 9% above national. Whole school attendance for 2018/18 was 97.1% with attendance throughout the school highly consistent across all year groups.

Objectives, Strategies and Activities

Key priorities set out in the School Development Plan for 2018/19 were addressed as follows:

- In the light of the new Ofsted Inspection Framework, the school has worked hard on reviewing the current curriculum. Much work and thought has gone into how the school can offer a broad and balanced curriculum that inspires pupils to learn and helps them acquire knowledge, understanding and skills in all aspects of their education, including the humanities and linguistic, mathematical, scientific, technical, social, physical and artistic learning. This was done through a number of staff meetings as well as pupil voice surveys. Work on the curriculum is ongoing and the new, revised curriculum maps will be presented to parents and governors by subject and faculty leaders throughout 2019/20.
- The academy has been pro-active in ensuring the longevity of the school by extensively promoting the school, arranging highly successful open days and by show casing the quality of the school through representation at a number of local events, such as the Swindon Old Town Christmas Light Switch On.
- In 2018/19, Lethbridge Primary school has introduced Emotional Literacy Support Assistants, completed work on a new Sensory Room and been accredited with the Mental Health in Schools Award.
- In recent years, there has been a marked increase in children with English as an additional language, with 23% of all children at Lethbridge Primary School being exposed to at least one other language in their home environment in 2018/19. Their needs are being addressed through pre-teaching, banding and additional proficiency testing. The school is also celebrating different cultures and languages through additional displays, assemblies and workshops.
- A particular success of 2018/19 was the reduction of the gender gap between boys and girls writing in EYFS by 13%.
- Towards the end of 2018/19 the board of governors commissioned an external review, which concluded that: "There is plenty of evidence to indicate that governors both regularly visit the school and use these visits to inform their monitoring of school improvement priorities."
- Lethbridge Primary School ranked in the top 5% of all schools nationally in end of Key Stage 2 assessments in terms of average scaled score for Reading.

**LETHBRIDGE PRIMARY SCHOOL
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

STRATEGIC REPORT

Achievements and Performance

This was the eighth year of operation of the school as an academy. The school's results for end of key stage 1 and end of key stage 2 for 2018-19 are summarised below. These results demonstrate a very high quality of teaching and overall success of the school's approach for a sustained period of time.

Year 1 – 91% (National 2018 – 82%)

KS1

| Expected or above | Lethbridge | National 2018 |
|-------------------|------------|---------------|
| Reading | 86% | 75% |
| Maths | 81% | 76% |
| Writing | 77% | 69% |
| Science | 98% | 82% |

| Greater depth | Lethbridge | National 2018 |
|---------------|------------|---------------|
| Reading | 41% | 25% |
| Maths | 36% | 21% |
| Writing | 30% | 15% |
| Science | N/A | |

KS2

| Expected or above | Lethbridge (compare to last year) | National 2018 |
|-------------------|-----------------------------------|---------------|
| Reading | 87% | 75% |
| GPS | 88% | 77% |
| Maths | 90% | 75% |
| Writing | 88% | 78% |
| Combined | 83% | 64% |

| Greater depth | Lethbridge (compare to last year) | National 2018 |
|---------------|-----------------------------------|---------------|
| Reading | 43% | 28% |
| GPS | 67% | 34% |
| Maths | 39% | 23% |
| Writing | 23% | 19.80% |
| Combined | 19% | 9.80% |

**LETHBRIDGE PRIMARY SCHOOL
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The basis of these results is that Lethbridge is a happy, caring environment where children of all abilities feel secure and able to succeed. The Academy is committed to providing children with an amazing learning experience that incorporates all aspects of the child's development. As in previous years, pupils have benefitted from a variety of visits and visitors to the school, many after-school clubs, 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, £31,943 of restricted income (excluding pension reserve and restricted fixed asset funds) was carried forward and the Trust held unrestricted funds at the Balance Sheet date of £153,256.

Another key financial performance indicator is staffing costs as a percentage of total revenue income. For 2018/19 this was 82.0% compared to 83.6% in 2017/18.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018/19 were 484. 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 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA 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 2018 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 2019, total expenditure (excluding restricted fixed asset funds and pension scheme liabilities) of £2,038,029 was largely covered by recurrent grant funding from the DfE, together with other incoming resources of £2,100,260. The excess of income over expenditure for the year was £62,231.

At 31 August 2019 the net book value of fixed assets was £3,611,393 and movements in tangible fixed assets are shown in Note 15 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 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted a Internal Assurance 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.

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 £50,000 or the maximum permitted by the ESFA.

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 ESFA. In the last year 91% 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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2019/20.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has 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 charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming Bath Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *26th November 2019* and signed on its behalf by:

**P Ashdown
Chair of Trustees**



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

GOVERNANCE STATEMENT

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 Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------|-------------------|-------------------|
| L Crosby | 5 | 5 |
| P Ashdown, Chair | 5 | 5 |
| J Dearlove | 3 | 5 |
| C Chew | 5 | 5 |
| C Hobson | 4 | 5 |
| T Beach | 1 | 4 |
| A Davison | 5 | 5 |
| C Harmer | 5 | 5 |
| K M Barrett, Vice Chair | 5 | 5 |
| L Mayes, Headteacher | 5 | 5 |
| H Jackson | 0 | 2 |
| N Maysey | 2 | 5 |
| A Shakespeare | 2 | 5 |
| C Short | 4 | 5 |
| L Smith | 4 | 5 |
| F Wall | 3 | 5 |
| E Mann | 0 | 0 |
| D Mackman | 3 | 5 |
| C Webb | 3 | 5 |
| A MacKenzie-Wilson | 1 | 1 |
| A Fernow | 4 | 4 |

The Finance and Staffing committee is a sub-committee of the main Board of Trustees which receives and monitors regular financial reports, exercises 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 schools' Health and Safety Policy.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (continued)

| Trustee | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| P Ashdown | 5 | 5 |
| D Mackman (Chair) | 4 | 5 |
| C Webb | 3 | 5 |
| K M Barrett | 4 | 5 |
| L Mayes | 4 | 5 |
| C Hobson (Vice Chair) | 4 | 5 |
| A Shakespeare | 4 | 5 |
| H Jackson | 0 | 2 |
| C Short | 3 | 5 |
| C Harmer | 4 | 5 |

REVIEW OF VALUE FOR MONEY

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

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

- Reviewing and altering the use of our teaching assistant hours across the school day. This has meant intervention groups now take place in the afternoons across phase, and individual class support for group work etc. primarily provided in the mornings. This has proved a more cost effective way of using teaching assistant hours and allowed us to reduce costs in this area through natural wastage and redeployment.
- Altering the way in which we manage PPA cover for teachers. Some of the TA hours from above have been re-deployed to HLTA hours where appropriate to use for PPA cover. Previously all PPA cover was provided by professional outside sport coaches, replacing some of this with HLTA hours is more cost effective. In addition we have provided radio support to the sport coaches for the PPA cover still provided by them, so that members of support staff are on call to assist where necessary, rather than having to accompany them the whole session.
- We reviewed the traded services we were buying into from the Local Authority and have brought some of these services in house. For example using local libraries that we are able to walk to with groups of children to free of charge, rather than buying into a delivered library service, using teachers with skilled music ability to teach whole instrument in house rather than buying into an outside resource, and no longer purchasing TAHMs services as we train up our own ELSAs to be able to respond more immediately to the emotional and mental health needs of our pupils.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 2018 to 31 August 2019 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 2018 to 31 August 2019 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 and General Purposes 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 Financial Services 4 School Ltd, to carry out a programme of internal checks.

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

On a semi-annual basis, the reviewer reports to the Board of Trustees through the finance and staffing committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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 reviewer;
- 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 and staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 26th Nov 2019 and signed on their behalf by:

P Ashdown
Chair of Trustees



L Mayes
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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all 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 ESFA.



L Mayes

Accounting Officer

Date: 26th November 2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 Academies Accounts Direction published 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:

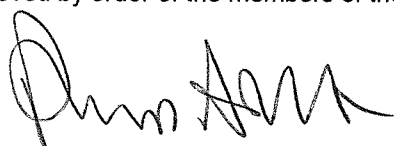
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



P Ashdown
Chair of Trustees

Date: 26th November 2019

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

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

OPINION

We have audited the financial statements of Lethbridge Primary School (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 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 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the 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.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LETHBRIDGE PRIMARY SCHOOL (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH 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 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, 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, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LETHBRIDGE PRIMARY SCHOOL (CONTINUED)**

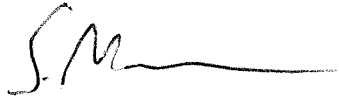
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.



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:

10/12/2019

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lethbridge Primary School and 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 Lethbridge Primary School and ESFA, 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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.

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.

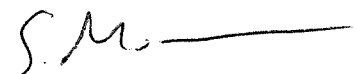
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 10/12/2019

LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 4 | 1,724 | 87,847 | 5,978 | 95,549 | 91,341 |
| Charitable activities | | 44,825 | 1,955,637 | - | 2,000,462 | 1,918,022 |
| Other trading activities | | 10,079 | - | - | 10,079 | 16,358 |
| Investments | 7 | 148 | - | - | 148 | 166 |
| Total income | | 56,776 | 2,043,484 | 5,978 | 2,106,238 | 2,025,887 |
| Expenditure on: | | | | | | |
| Charitable activities | | 45,035 | 2,080,994 | 95,497 | 2,221,526 | 2,210,219 |
| Total expenditure | | 45,035 | 2,080,994 | 95,497 | 2,221,526 | 2,210,219 |
| Net income/ (expenditure) | | 11,741 | (37,510) | (89,519) | (115,288) | (184,332) |
| Transfers between funds | 19 | - | (15,152) | 15,152 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 11,741 | (52,662) | (74,367) | (115,288) | (184,332) |
| Actuarial losses on defined benefit pension schemes | 21 | - | (333,000) | - | (333,000) | 288,000 |
| Net movement in funds | | 11,741 | (385,662) | (74,367) | (448,288) | 103,668 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 141,515 | (306,827) | 3,685,760 | 3,520,448 | 3,416,780 |
| Net movement in funds | | 11,741 | (385,662) | (74,367) | (448,288) | 103,668 |
| Total funds carried forward | | 153,256 | (692,489) | 3,611,393 | 3,072,160 | 3,520,448 |

The notes on pages 25 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

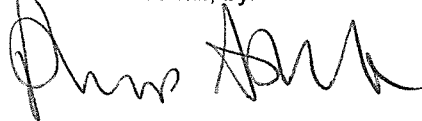
| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 3,611,393 | 3,685,760 |
| | | <u>3,611,393</u> | <u>3,685,760</u> |
| Current assets | | | |
| Debtors | 15 | 50,112 | 66,458 |
| Cash at bank and in hand | | 261,945 | 251,981 |
| | | <u>312,057</u> | <u>318,439</u> |
| Creditors: amounts falling due within one year | 16 | (130,122) | (180,197) |
| Net current assets | | <u>181,935</u> | <u>138,242</u> |
| Total assets less current liabilities | | <u>3,793,328</u> | <u>3,824,002</u> |
| Creditors: amounts falling due after more than one year | 17 | (39,168) | (42,554) |
| Net assets excluding pension liability | | <u>3,754,160</u> | <u>3,781,448</u> |
| Defined benefit pension scheme liability | 21 | (682,000) | (261,000) |
| Total net assets | | <u><u>3,072,160</u></u> | <u><u>3,520,448</u></u> |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 3,611,393 | 3,685,760 |
| General funds | 19 | (10,489) | (45,827) |
| | | <u>3,600,904</u> | <u>3,639,933</u> |
| Restricted funds excluding pension asset | 19 | 3,600,904 | 3,639,933 |
| Pension reserve | 19 | (682,000) | (261,000) |
| | | <u>2,918,904</u> | <u>3,378,933</u> |
| Total restricted funds | 19 | 2,918,904 | 3,378,933 |
| Unrestricted income funds | 19 | 153,256 | 141,515 |
| | | <u>3,072,160</u> | <u>3,520,448</u> |
| Total funds | | <u><u>3,072,160</u></u> | <u><u>3,520,448</u></u> |

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 48 were approved by the Trustees, and authorised for issue on 26th Nov 2019 and are signed on their behalf, by:

P Ashdown
Chair of Trustees



The notes on pages 25 to 48 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | | 28,363 | 59,018 |
| Cash flows from investing activities | | (15,004) | (128,842) |
| Cash flows from financing activities | | (3,395) | (3,395) |
| Change in cash and cash equivalents in the year | | 9,964 | (73,219) |
| Cash and cash equivalents at the beginning of the year | | 251,981 | 325,200 |
| Cash and cash equivalents at the end of the year | | <u>261,945</u> | <u>251,981</u> |

The notes on pages 25 to 48 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 2019**

1. GENERAL INFORMATION

Lethbridge Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Lethbridge Road, Swindon, Wiltshire, SN1 4BY.

2. 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lethbridge Primary School meets the definition of a public benefit entity under FRS 102.

2.2 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

2.4 EXPENDITURE

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.5 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 Part 11, chapter 3 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.

2.6 TANGIBLE FIXED ASSETS

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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:

| | |
|------------------------------|---------------------------|
| Long term leasehold land | - 125 years straight line |
| Long-term leasehold property | - 50 years straight line |
| Furniture and equipment | - 7 years straight line |
| Computer equipment | - 5 years 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.

2.7 DEBTORS

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

2.8 CASH AT BANK AND IN HAND

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.9 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.10 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 bases 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 15. 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 cost as detailed in notes 16 and 17. 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 instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.11 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. ACCOUNTING POLICIES (continued)

2.12 PENSIONS

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.13 FUND ACCOUNTING

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

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

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 2019**

3. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2019. 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 Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 1,724 | 65,779 | 67,503 | 91,341 |
| Capital Grants | - | 28,046 | 28,046 | - |
| | <u>1,724</u> | <u>93,825</u> | <u>95,549</u> | <u>91,341</u> |
| Total 2018 | <u>4,484</u> | <u>86,857</u> | <u>91,341</u> | |

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FOR THE YEAR ENDED 31 AUGUST 2019

5. FUNDING FOR THE ACADEMY'S EDUCATION

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 1,617,457 | 1,617,457 | 1,558,665 |
| Other DfE/ESFA grants | - | 152,481 | 152,481 | 165,100 |
| | - | 1,769,938 | 1,769,938 | 1,723,765 |
| Other Government grants | | | | |
| High Needs | - | 138,360 | 138,360 | 112,271 |
| | - | 138,360 | 138,360 | 112,271 |
| Other funding | | | | |
| Internal catering income | 44,825 | - | 44,825 | 45,320 |
| Other | - | 47,339 | 47,339 | 36,666 |
| | 44,825 | 1,955,637 | 2,000,462 | 1,918,022 |
| Total 2018 | 45,320 | 1,872,702 | 1,918,022 | |

6. INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings | 10,079 | - | 10,079 | 12,233 |
| Trainee teacher income | - | - | - | 4,125 |
| | 10,079 | - | 10,079 | 16,358 |
| Total 2018 | 12,233 | 4,125 | 16,358 | |

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FOR THE YEAR ENDED 31 AUGUST 2019

7. INVESTMENT INCOME

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 148 | 148 | 166 |
| | <u>148</u> | <u>148</u> | <u>166</u> |

8. EXPENDITURE

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ | Total 2018 £ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Education: | | | | | |
| Direct costs | 1,331,051 | 95,497 | 117,767 | 1,544,315 | 1,511,394 |
| Allocated support costs | 373,611 | 134,488 | 169,112 | 677,211 | 698,825 |
| | <u>1,704,662</u> | <u>229,985</u> | <u>286,879</u> | <u>2,221,526</u> | <u>2,210,219</u> |
| Total 2018 | <u>1,683,004</u> | <u>196,768</u> | <u>330,447</u> | <u>2,210,219</u> | |

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------|---|-------------------------------|-----------------------------|-----------------------------|
| Education | <u>1,544,315</u> | <u>677,211</u> | <u>2,221,526</u> | <u>2,210,219</u> |
| Total 2018 | <u>1,511,394</u> | <u>698,825</u> | <u>2,210,219</u> | |

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FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

| | Total funds 2019 £ | Total funds 2018 £ |
|-----------------------|-----------------------------|-----------------------------|
| Pension finance costs | 5,000 | 7,000 |
| Staff costs | 1,327,375 | 1,277,023 |
| Depreciation | 95,497 | 97,276 |
| Educational supplies | 103,379 | 118,042 |
| Staff development | 9,388 | 5,194 |
| Supply teachers | 3,676 | 6,859 |
| | <u>1,544,315</u> | <u>1,511,394</u> |

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FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

| | Total funds 2019 £ | Total funds 2018 £ |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Pension finance costs | 3,000 | 5,000 |
| Staff costs | 373,611 | 399,122 |
| Other costs | 9,018 | 6,543 |
| Maintenance of premises and equipment | 27,514 | 25,300 |
| Cleaning | 43,275 | 40,599 |
| Rent and rates | 10,699 | 12,537 |
| Energy costs | 21,752 | 21,056 |
| Insurance | 10,726 | 11,074 |
| Catering | 58,487 | 56,400 |
| Technology costs | 16,907 | 18,139 |
| Office overheads | 20,522 | 27,003 |
| Legal and professional | 68,896 | 63,271 |
| Bank interest and charges | 1,893 | 1,893 |
| Governance | 10,911 | 10,888 |
| | <u><u>677,211</u></u> | <u><u>698,825</u></u> |

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

| | 2019 £ | 2018 £ |
|---------------------------------------|-----------------------|-----------------------|
| Depreciation of tangible fixed assets | 95,497 | 97,276 |
| Fees paid to auditors for: | | |
| - audit | 5,800 | 5,550 |
| - other services | 1,750 | 1,750 |
| | <u><u>103,047</u></u> | <u><u>105,276</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. Staff costs

Staff costs during the year were as follows:

| | 2019 | 2018 |
|-----------------------|-------------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,275,238 | 1,239,701 |
| Social security costs | 97,732 | 95,043 |
| Pension costs | 328,016 | 341,401 |
| | <u>1,700,986</u> | <u>1,676,145</u> |
| Supply teacher costs | 3,676 | 6,859 |
| | <u>1,704,662</u> | <u>1,683,004</u> |

b. Staff numbers

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

| | 2019 | 2018 |
|-----------------------------|------------------|-----------|
| | No. | No. |
| Teachers | 21 | 21 |
| Educational Support | 26 | 28 |
| Administration and Clerical | 40 | 44 |
| Management | 3 | 3 |
| | <u>90</u> | <u>96</u> |

The average headcount expressed as full-time equivalents was:

| | 2019 | 2018 |
|-----------------------------|------------------|-----------|
| | No. | No. |
| Teachers | 15 | 15 |
| Educational Support | 23 | 16 |
| Administration and Clerical | 6 | 17 |
| Management | 3 | 3 |
| | <u>47</u> | <u>51</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. STAFF COSTS (continued)

c. Higher paid staff

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

| | 2019 No. | 2018 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 1 |

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for this role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the Academy Trust was £290,469 (2018: £296,580).

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: L Mayes Remuneration £60,000 - £65,000 (2018: £60,000 - £65,000), Employer's Pension Contribution £10,000- £15,000 (2018: £10,000 - £15,000); T Moran £30,000- £35,000 (2018: £30,000 - £35,000), Employer's Pension Contributions £5,000 - £10,000 (2018: £5,000 - £10,000); C Webb Remuneration £35,000 - £40,000 (2018: £35,000 - £40,000), Employer's Pension Contributions £5,000 - £10,000 (2018: £5,000 - £10,000); C Chew Remuneration £35,000 - £40,000 (2018: £35,000 - £40,000), Employer's Pension Contributions £5,000 - £10,000 (2018: £5,000 - £10,000); C Harmer Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2018: £5,000 - £10,000); C Short Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2018: £5,000 - £10,000).

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------|
| Cost or valuation | | | | |
| At 1 September 2018 | 4,035,403 | 151,619 | 127,917 | 4,314,939 |
| Additions | 10,992 | 8,924 | 1,214 | 21,130 |
| At 31 August 2019 | <u>4,046,395</u> | <u>160,543</u> | <u>129,131</u> | <u>4,336,069</u> |
| Depreciation | | | | |
| At 1 September 2018 | 434,510 | 98,146 | 96,523 | 629,179 |
| Charge for the year | 68,303 | 14,404 | 12,790 | 95,497 |
| At 31 August 2019 | <u>502,813</u> | <u>112,550</u> | <u>109,313</u> | <u>724,676</u> |
| Net book value | | | | |
| At 31 August 2019 | <u>3,543,582</u> | <u>47,993</u> | <u>19,818</u> | <u>3,611,393</u> |
| At 31 August 2018 | <u>3,600,893</u> | <u>53,473</u> | <u>31,394</u> | <u>3,685,760</u> |

15. DEBTORS

| | 2019 £ | 2018 £ |
|--------------------------------|---------------|---------------|
| Due within one year | | |
| Trade debtors | 2,183 | 3,069 |
| Other debtors | 9,390 | 10,914 |
| Prepayments and accrued income | 38,539 | 52,475 |
| | <u>50,112</u> | <u>66,458</u> |

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|----------------|
| Other loans | 3,264 | 3,273 |
| Other taxation and social security | 24,224 | 23,421 |
| Other creditors | 30,429 | 29,193 |
| Accruals and deferred income | 72,205 | 124,310 |
| | <u>130,122</u> | <u>180,197</u> |

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| DEFERRED INCOME | | |
| Deferred income at 1 September 2018 | 47,604 | 58,801 |
| Resources deferred during the year | 52,095 | 47,604 |
| Amounts released from previous periods | (47,604) | (58,801) |
| | <u>52,095</u> | <u>47,604</u> |

17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

| | 2019 £ | 2018 £ |
|-------------|---------------|---------------|
| Other loans | <u>39,168</u> | <u>42,554</u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2019 £ | 2018 £ |
|-------------------------------------|---------------|---------------|
| Payable or repayable by instalments | <u>26,112</u> | <u>29,461</u> |

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 (2018: £5,288) over 15 years. Interest is being charged at a rate of 4.93% per annum. The total amount outstanding at the year end was £42,432 (2018: £45,827).

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NOTES TO THE FINANCIAL STATEMENTS
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18. FINANCIAL INSTRUMENTS

| | 2019 £ | 2018 £ |
|--|-----------------|-----------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | 261,945 | 251,981 |
| Financial assets that are debt instruments measured at amortised cost | 2,183 | 25,490 |
| | <u>264,128</u> | <u>277,471</u> |
| | 2019 £ | 2018 £ |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(92,971)</u> | <u>(79,979)</u> |

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise accrued income and trade debtors.

Financial liabilities measured at amortised cost comprise accruals and the equal pay loan.

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19. STATEMENT OF FUNDS

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 141,515 | 56,776 | (45,035) | - | - | 153,256 |
| Restricted general funds | | | | | | |
| General Annual Grant | - | 1,617,457 | (1,593,120) | (20,440) | - | 3,897 |
| High Needs | - | 138,360 | (138,360) | - | - | - |
| Pupil Premium | - | 44,350 | (44,350) | - | - | - |
| Other Restricted income | - | 98,884 | (98,884) | - | - | - |
| Other DfE/ESFA income | - | 72,983 | (44,937) | - | - | 28,046 |
| Equal pay loan | (45,827) | - | (1,893) | 5,288 | - | (42,432) |
| UIFSM | - | 71,450 | (71,450) | - | - | - |
| Pension reserve | (261,000) | - | (88,000) | - | (333,000) | (682,000) |
| | <u>(306,827)</u> | <u>2,043,484</u> | <u>(2,080,994)</u> | <u>(15,152)</u> | <u>(333,000)</u> | <u>(692,489)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed assets-conversion | 3,307,485 | - | (71,115) | - | - | 3,236,370 |
| Fixed assets-GAG | 72,697 | - | (6,795) | 15,152 | - | 81,054 |
| DfE/EFA | 155,328 | - | (4,680) | - | - | 150,648 |
| Capital rollover | 102,927 | - | (6,584) | - | - | 96,343 |
| DFC | 16,316 | - | (5,118) | - | - | 11,198 |
| Donations | 28,743 | 5,978 | (1,205) | - | - | 33,516 |
| Insurance receipts | 2,264 | - | - | - | - | 2,264 |
| | <u>3,685,760</u> | <u>5,978</u> | <u>(95,497)</u> | <u>15,152</u> | <u>-</u> | <u>3,611,393</u> |
| Total Restricted funds | <u>3,378,933</u> | <u>2,049,462</u> | <u>(2,176,491)</u> | <u>-</u> | <u>(333,000)</u> | <u>2,918,904</u> |
| Total funds | <u><u>3,520,448</u></u> | <u><u>2,106,238</u></u> | <u><u>(2,221,526)</u></u> | <u><u>-</u></u> | <u><u>(333,000)</u></u> | <u><u>3,072,160</u></u> |

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

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19. Statement of funds (continued)

General Annual Grant (GAG) - Income from the ESFA 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 - This represents funding received from the ESFA 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.

Other ESFA Grants - Includes PE Grant which represents funding received from the ESFA 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.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|-------------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 156,997 | 62,203 | (77,685) | - | - | 141,515 |
| RESTRICTED FUNDS | | | | | | |
| General Annual Grant | - | 1,558,665 | (1,527,689) | (30,976) | - | - |
| High Needs | - | 112,271 | (112,271) | - | - | - |
| Pupil Premium | - | 55,005 | (55,005) | - | - | - |
| Other Restricted income | - | 115,198 | (115,198) | - | - | - |
| Other DfE/ESFA income | - | 42,705 | (42,705) | - | - | - |
| Equal pay loan | (49,222) | - | - | 3,395 | - | (45,827) |
| UIFSM | - | 67,390 | (67,390) | - | - | - |
| Pension reserve | (434,000) | - | (115,000) | - | 288,000 | (261,000) |
| | (483,222) | 1,951,234 | (2,035,258) | (27,581) | 288,000 | (306,827) |
| Restricted fixed asset funds | | | | | | |
| Fixed assets-conversion | 3,380,379 | - | (72,894) | - | - | 3,307,485 |
| Fixed assets-GAG | 51,911 | - | (6,795) | 27,581 | - | 72,697 |
| DfE/EFA | 160,008 | - | (4,680) | - | - | 155,328 |
| Capital rollover | 109,511 | - | (6,584) | - | - | 102,927 |
| DFC | 21,434 | - | (5,118) | - | - | 16,316 |
| Donations | 17,498 | 12,450 | (1,205) | - | - | 28,743 |
| Insurance receipts | 2,264 | - | - | - | - | 2,264 |
| | 3,743,005 | 12,450 | (97,276) | 27,581 | - | 3,685,760 |
| Total Restricted funds | 3,259,783 | 1,963,684 | (2,132,534) | - | 288,000 | 3,378,933 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|--------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Total funds | 3,416,780 | 2,025,887 | (2,210,219) | - | 288,000 | 3,520,448 |

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 3,611,393 | 3,611,393 |
| Current assets | 153,256 | 158,801 | - | 312,057 |
| Creditors due within one year | - | (130,122) | - | (130,122) |
| Creditors due in more than one year | - | (39,168) | - | (39,168) |
| Provisions for liabilities and charges | - | (682,000) | - | (682,000) |
| Total | 153,256 | (692,489) | 3,611,393 | 3,072,160 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Total funds 2018 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 3,685,760 | 3,685,760 |
| Current assets | 141,515 | 176,924 | - | 318,439 |
| Creditors due within one year | - | (180,197) | - | (180,197) |
| Creditors due in more than one year | - | (42,554) | - | (42,554) |
| Provisions for liabilities and charges | - | (261,000) | - | (261,000) |
| Total | 141,515 | (306,827) | 3,685,760 | 3,520,448 |

NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' 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 multi-employer defined benefit 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 £30,056 were payable to the schemes at 31 August 2019 (2018 - £28,818) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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21. PENSION COMMITMENTS (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £87,710 (2018 - £87,219).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £160,000 (2018 - £151,000), of which employer's contributions totalled £131,000 (2018 - £121,000) and employees' contributions totalled £ 29,000 (2018 - £30,000). The agreed contribution rates for future years are 24.5 per cent for employers and 5.5 to 12.5 per cent 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

| | 2019 | 2018 |
|---|------|------|
| | % | % |
| Rate of increase in salaries | 2.6 | 2.6 |
| Rate of increases for pensions in payment/inflation | 2.3 | 2.3 |
| Discount rate for scheme liabilities | 1.9 | 2.8 |

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

| | 2019 | 2018 |
|-----------------------------|-------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.4 | 22.5 |
| Females | 23.7 | 24.9 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.3 | 24.1 |
| Females | 25.1 | 26.7 |

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

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

| | At 31 August 2019 | At 31 August 2018 |
|-------------------------------------|------------------------------|------------------------------|
| | £ | £ |
| Equities | 1,294,000 | 1,114,000 |
| Bonds | 255,000 | 220,000 |
| Property | 237,000 | 204,000 |
| Cash and other liquid assets | 36,000 | 31,000 |
| Total market value of assets | 1,822,000 | 1,569,000 |

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

| | 2019 | 2018 |
|----------------------|------------------|------------------|
| | £ | £ |
| Current service cost | (201,000) | (224,000) |
| Past service cost | (8,000) | - |
| Interest income | 46,000 | 34,000 |
| Interest cost | (54,000) | (46,000) |
| Total | (217,000) | (236,000) |

Changes in the present value of the defined benefit obligations were as follows:

| | 2019 | 2018 |
|--------------------------|------------------|------------------|
| | £ | £ |
| At 1 September | 1,830,000 | 1,739,000 |
| Current service cost | 201,000 | 224,000 |
| Interest cost | 54,000 | 46,000 |
| Employee contributions | 31,000 | 30,000 |
| Actuarial losses/(gains) | 401,000 | (195,000) |
| Benefits paid | (21,000) | (14,000) |
| Past service cost | 8,000 | - |
| At 31 August | 2,504,000 | 1,830,000 |

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21. PENSION COMMITMENTS (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

| | 2019 £ | 2018 £ |
|------------------------|------------------|------------------|
| At 1 September | 1,569,000 | 1,305,000 |
| Interest income | 46,000 | 34,000 |
| Actuarial gains | 68,000 | 93,000 |
| Employer contributions | 129,000 | 121,000 |
| Employee contributions | 31,000 | 30,000 |
| Benefits paid | (21,000) | (14,000) |
| At 31 August | 1,822,000 | 1,569,000 |

22. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|---------------|--------------|
| AMOUNTS PAYABLE: | | |
| Not later than 1 year | 5,734 | 5,428 |
| Later than 1 year and not later than 5 years | 10,991 | - |
| | 16,725 | 5,428 |

23. MEMBERS' LIABILITIES

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

24. RELATED PARTY TRANSACTIONS

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

There were no related party transactions in the year.

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25. CONTROLLING PARTY

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