

**Company Registration Number: 07524069**

**THE ECCLESBOURNE SCHOOL**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**THE ECCLESBOURNE SCHOOL**  
**(A company limited by guarantee)**

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**THE ECCLESBOURNE SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Members**

Mr R Lindop  
Mr B Wigram  
Mrs B Goth

**Governors**

Mr R Lindop, Chair (appointed 11 December 2017)<sup>1</sup>  
Mr B Wigram, Vice Chair  
Mrs B Goth, Trustee<sup>1</sup>  
Mr J McNamara, Head Teacher<sup>1</sup>  
Mr S Baines, Trustee<sup>1</sup>  
Ms H Dixon, Trustee (resigned 24 September 2018)<sup>1</sup>  
Mrs N Edwards, Trustee  
Ms K Eley, Trustee  
Mrs W Hodges, Trustee  
Mr K Raynor, Trustee<sup>1</sup>  
Ms J Winwood, Trustee (resigned 26 September 2018)  
Ms J Fishwick, Trustee (resigned 2 January 2018)  
Mr D Lakin, Trustee (resigned 19 April 2018)<sup>1</sup>  
Mrs A McDermott, Trustee  
Mrs D Outhwaite, Trustee<sup>1</sup>  
Mr M Ryan, Trustee<sup>1</sup>  
Mr M Ford, Trustee<sup>1</sup>  
Mr J Minton, Trustee

<sup>1</sup> Members of the Finance Committee

**Company registered number**

07524069

**Company name**

The Ecclesbourne School

**Principal and registered office**

Wirksworth Road, Duffield, Belper, Derbyshire, DE56 4GS

**THE ECCLESBOURNE SCHOOL**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Company secretary**

Ms G Cawley

**Senior management team**

Mr J McNamara, Head Teacher  
Mrs C Ourabi, Head of Upper School  
Mrs P Owen-Moore, Head of Lower School  
Mr S Carnwell, Head of Year 13  
Mr R Nicoll, Head of Learning Services  
Mr D Duncker-Brown, Deputy Head  
Mrs L Allen, Bursar  
Mrs K Cochrane, Deputy Head - Head of 6th

**Independent auditors**

Smith Cooper Audit Limited, 2 Lace Market Square, Nottingham, NG1 1PB

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

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

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of The Ecclesbourne School act as the trustees for the charitable activities of the School and are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Ecclesbourne School.

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

**b. Members' liability**

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

**c. Governors' indemnities**

The academy trust has opted into the Department for 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

**d. Method of recruitment and appointment or election of Governors**

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

**e. Policies and procedures adopted for the induction and training of Governors**

The Governors are offered training throughout their tenure in office to assist them in meeting their statutory obligations and duties. In addition, all new Governors are signposted to training provider (NGA). All Governors are given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors within a charitable company. During the period of these accounts and up to the date of signing there has been one Governor re-appointment and four resignations.

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

**f. Organisational structure**

The Head Teacher is the Accounting Officer. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and the appointment of senior leaders. The Governors are responsible for the monitoring and performance of the Head Teacher.

The Strategic Leadership Team members for the Academy are the Head Teacher, Four Deputy Head Teachers, One Assistant Head Teachers, Head of Learning Services and a Bursar. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them on the success of the policies.

As a group the Strategic Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to individual budget holders who have responsibility for the line management of individual functions within the school structure, with limits above which the Head Teacher or Bursar must countersign.

**g. Pay policy for key management personnel**

The pay policy does not discriminate between key management personnel and the other teaching staff and is based on performance management in line with pupil progress and outcomes. The main parameters used for setting key management personnel salaries are national teacher pay and conditions guidance, job responsibilities and experience.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	4,516
Total pay bill	5,435,490
Percentage of total pay bill spent on facility time	0.08 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**THE ECCLESBOURNE SCHOOL**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Objectives and Activities**

**a. Objects and aims**

The Ecclesbourne School's object and activity is to advance, for the public benefit, education in the United Kingdom in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In pursuit of this object, its principal activity is to operate The Ecclesbourne School in Duffield, Derbyshire, which caters for all abilities between the ages of 11 and 18.

**b. Objectives, strategies and activities**

The Ecclesbourne School strives to be a successful and caring learning community in which individuals are inspired to meet the challenges of the future.

All members of our School Community should:

- Acquire the knowledge and skills for now and for a fulfilling future
- Develop confidence in themselves and their abilities
- Feel valued and value others
- Work together effectively and with enthusiasm
- Create an innovative learning environment
- Appreciate the world at large

The School Community includes everyone who learns and works within the school and all those with a supportive interest in the school.

**c. Public benefit**

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Ecclesbourne School is a non selective, non fee paying secondary school and as such operates entirely for the public benefit. In addition to striving for and achieving the highest of educational standards and attainment for all its students, it also engages in partnership, working with other local secondary schools, especially with regard to effective operation of inclusion measures and systems.

The school has developed strong links with the local community and business of reciprocal benefit. The school lets out its facilities to local sports, arts and hobby based clubs offering a wide range of evening courses, which are advertised to the local community. The school actively engages in charity work through a range of themed activities and days throughout the year.

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

**Achievements and performance**

**Strategic report**

**a. Key performance indicators**

- Examination results
- Attendance
- Admissions
- Retention
- Destinations

The governors have reviewed the significant activities undertaken by the charitable company during the past year to further its charitable purposes for the public benefit. Below is a review of these significant activities and achievements.

- 94% grades 9-4 in English
- 89% grades 9-4 in Mathematics
- 86% grades A\*-C in both English and Mathematics
- 63% grades 9-5 English and Mathematics (National: 35%)
- Progress 8 score of +0.39 was significantly positive (National: 0)
- Attainment 8 score was 55 (National: 44)
- 45% grades 9-4 English Baccalaureate
- 89% achieved 5 or more GCSE passes at grades A\*-C
- 99% of students remained in education, training or employment post-16
- Progress 8 score +0.13 for pupils eligible for the pupil premium
- At A Level 86% of grades were at A\*-C, 63% at A\*-B and 32% at A\*-A
- There were 508 applications for 240 places in Year 7
- Retention: 89% of Year 11 students met the entry requirement for the Sixth Form and 70% stayed on
- Attendance was 96%

**b. Going concern**

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

**c. Review of activities**

The Academy's main funding source is the General Annual Grant (GAG) received monthly from the Education and Skills Funding Agency (ESFA). The Academy also generates additional income through facilities hire and teacher release. During the period the Academy also received Section 106 funding of £993k in relation to various capital improvements which have taken place over the past few years. Revenue funding is mainly used to employ educational staff and procure educational resources for the school and its pupils.

The Academy's financial position at the end of the period shows funds of £21,076,533; of which £20,110,082 is restricted fixed asset funds, leaving a total surplus reserve balance of both general restricted and unrestricted funds of £966,451. The £966,451 consists of £1,142,411 unrestricted reserves and a deficit of £175,960 of restricted reserves which is due to the LGPS deficit of £1,575,000. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the Academy excluding the LGPS liability is £2,541,451.



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

**Financial review**

**a. Reserves policy**

The policy of the school is to maintain a sufficient surplus to uphold the following year's budget against financial uncertainty and then to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The Trust has a number of restricted funds, details of which can be found in note 17 of the financial statements.

Due to the inherited deficit of the Local Government Pension Scheme (LGPS), the school aims to reduce the deficit by increasing contributions over the forthcoming years as described above and will revisit current business plans and budgets and ascertain how the pension costs might affect their budgets in the future.

**b. Material investments policy**

The Trust seeks to invest surplus funds in a manner to obtain the best possible return consistent with prudent minimisation of risk and with the strategic plans of the Academy for deployment of resources. The Academy is committed to investment with reputable and ethical investors.

**c. Principal risks and uncertainties**

There are a number of factors which may affect the principal risks and uncertainties that the school faces and how the school intends to resolve them.

- Change in government policy: with a change in government or change in government policy, the funding of the school may change and may in the future reduce funding. This is mitigated by building healthy unrestricted reserves, which may be used in times where funding has been tightened.
- The overall performance of the students: this is a continuing risk to the school since both funding, student numbers and positioning of the school is affected if performance of the students declines. To ensure that this is limited as much as possible, the school intends to retain the teaching staff, focus on training of all staff to improve in teaching and learning and to continuously monitor student performance at an early stage of their educational development and ensure that they are nurtured to achieve the best possible standard that each individual can achieve.
- Operate the school within the budget: there is always the risk of operating above budget constraints. However, with a strong finance committee and effective internal reporting such as budgeting and forecasting, this risk will be minimised.

The main 'financial instruments' that the Ecclesbourne School deals with are bank balances, cash and trade creditors, with limited trade and other debtors. These are not material to the assessment of the Academy's assets, liabilities, financial position and its results. The Local Government Pension Scheme exposes the school to a deficit calculated this period at £1.6m.

**Fundraising**

The School holds Wear What You Like Days to raise funds. The funds are for both internal and external projects, external fundraising has been undertaken for projects such as Comic Relief. The School also held a Coffee Morning which raised funds for Macmillan. All participation by staff, pupils and parents is completely voluntary. The Academy does not work with any commercial participators.

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

**Plans for future periods**

**a. Future developments**

1. Learning & Teaching/Assessment For Learning - Nothing makes more difference to the life chances of students than the quality of teaching. Individual teachers make the difference. Working together, our aim is to improve the quality of teaching and learning through better dissemination of best practice and training. This year we will be focusing on teaching and learning that develops students' resilience and capacity for independent learning.
2. Quality of Marking/Formative Feedback - Research by the Education Endowment Fund indicates formative feedback - provided we get it right - is the most effective way to maximise progress. Our aim is to apply the lessons learned about Assessment for Learning & Formative Feedback in INSET to ensure students respond actively to feedback and make excellent progress as a result of timely and helpful next step advice and incisive marking of work.
3. Raising Achievement KS3, KS4 and KS5 - To ensure all students are equipped to achieve their potential and that differences in achievement are diminished. In practical terms this means: students at KS3 achieving their minimum expected targets (MET) which are based on progress in the top 20% of students nationally. At KS4 this means GCSE outcomes in line with FFT20 targets and at A Level, in line with ALIS target grades. This year we will focus closely on boys' progress and on preparing students to access grades 7-9 at GCSE and A-A\* at A Level.
4. Curriculum Reform KS3, 4 & 5 - To plan for and implement new courses to maintain and enhance student progress in light of national changes in curriculum and assessment. Our plans for improvement in other areas must take account of the fact that, for most of us, this is the school's top priority. Teachers and teaching assistants need to be enabled to apply their energies here with minimal distraction. Our aim will be to maintain and enhance student progress in light of significant national changes in curriculum and assessment. At KS3 this means ensuring that students are stretched and prepared for the increased challenge of reformed GCSEs.
5. Pupil Premium Strategy - To ensure that students in receipt of the Pupil Premium achieve at least expected progress and that differences in achievement between PP and non-PP students are closed.
6. Facilities Master Plan - We are expanding to accommodate an 8 form entry from Years 7 to 11. This year our priority is to increase capacity in specialist accommodation, specifically in terms of additional and modernised Science laboratories and Food & Nutrition classrooms. Our major focus this year is the expansion of the existing Sixth Form Centre to accommodate the additional students who will move from Year 11 into the Sixth Form next year.
7. Mental Health & Resilience - Ours is a school that values community and works hard to develop in young people the knowledge and skills for now and for a fulfilling future; to develop confidence in themselves and their abilities; to feel valued and value others; to work together effectively and with enthusiasm and to appreciate the world at large. It is a happy and a safe school. But we know that the 21st century poses significant challenges for young people and that developing the resilience and confidence to meet them is a key responsibility for us. This year we are revisiting our provision in terms of pastoral care, personal development and citizenship, extra-curricular offer, student voice and student leadership to develop an updated mental health and resilience strategy. We will focus on clarity of vision and values understood by all, support networks that enable pupils to develop social relationships, teaching and learning that develops resilient learners, a curriculum that teaches life skills including social and emotional skills, specific help for vulnerable pupils, effective partnerships with parents and carers and support and training for all staff to build skills capacity and own resilience.
8. Student Leadership - the school has an extensive system of student leadership and posts of responsibility including prefects, head boys and girls, house captains, buddy readers, subject mentors and peer mentors. This year a new structure and system of training will be developed for the Student Council along with the creation of new positions of responsibility for Head Teacher's Ambassadors and Anti-Bullying Ambassadors which will increase opportunities for student leadership and responsibility and improve communication of student voice with the school's pastoral, curriculum and strategic leadership teams and with the Governors.
9. Safeguarding - all training, policies and procedures will be reviewed and updated in line with the latest guidance in 'Keeping Children Safe in Education (2018)'.
10. Leadership and Governance - Following a thorough review of governance carried out together with a National Leader of Governance, the school has identified strengths and areas in which we would like to improve further. This year we will implement the recommendations of the external review.

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

**Funds held as custodian**

The Ecclesbourne School does not hold any Custodian Trustee funds on behalf of others.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 10 Dec 18 and signed on its behalf by:

  
Richard Lindop  
Chair of Governors

**THE ECCLESBOURNE SCHOOL**  
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**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

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

**Governance**

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

Governor	Meetings attended	Out of a possible
Mr R Lindop, Chair	4	4
Mr B Wigram, Vice Chair	3	4
Mrs B Goth, Trustee	3	4
Mr J McNamara, Head Teacher	4	4
Mr S Baines, Trustee	4	4
Ms H Dixon, Trustee	4	4
Mrs N Edwards, Trustee	4	4
Ms K Eley, Trustee	3	4
Mrs W Hodges, Trustee	4	4
Mr K Raynor, Trustee	4	4
Ms J Winwood, Trustee	1	4
Ms J Fishwick, Trustee	0	2
Mr D Lakin, Trustee	1	3
Mrs A McDermott, Trustee	4	4
Mrs D Outhwaite, Trustee	4	4
Mr M Ryan, Trustee	4	4
Mr M Ford, Trustee	4	4
Mr J Minton, Trustee	4	4

The Finance Committee is a sub-committee of the main board of governors. Its purpose is to oversee the financial affairs of the Academy on behalf of the Governing Board. There was no specific matters dealt with by the committee during the year which are necessary to disclose. There were no significant changes made to the composition of the committee during the period.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr R Lindop, Chair	2	4
Mrs B Goth, Trustee	3	4
Mr J McNamara, Head Teacher	4	4
Mr S Baines, Trustee	3	4
Ms H Dixon, Trustee	3	4
Mr K Raynor, Trustee	4	4
Mrs D Oathwaite, Trustee	3	4
Mr M Ryan, Trustee	3	4
Mr D Lakin, Trustee	1	3
Mr M Ford, Trustee	2	4

**THE ECCLESBOURNE SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money**

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

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

To ensure value for money in purchasing and procurement each Governor's sub-committee has "Benchmarking" as a standing item. The Finance Committee keeps expenditure items under review and receives a budget report detailing where savings can be made. This year, this included careful consideration of curriculum and staffing to ensure costs were kept down against a backdrop of rising on costs. For building and refurbishment projects a comprehensive quotation and competitive tendering process is followed to ensure best value. Different options have been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term.

**The Purpose of the System of Internal Control**

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

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

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

The board of governors has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Audit Limited as internal auditor.

**THE ECCLESBOURNE SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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

- testing of fixed assets
- testing of purchases
- testing of payroll
- testing of expense claims
- testing of credit card transactions
- testing of petty cash
- testing of other income

On a semi-annual basis, the auditor reports to the board of governors through the finance committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.


**Review of Effectiveness**


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

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

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

Approved by order of the members of the board of governors on 10 Dec '18 and signed on their behalf, by:

  
**Richard Lindop, Chair**  
**Chair of Governors**

  
**James McNamara, Head Teacher**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Ecclesbourne School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

I confirm that no instances of material irregularity, material fraud, 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.

The School was the target of an email fraud during the year amounting to £4,293. This payment has been disclosed as there is a requirement to disclose all instances of fraud or theft.



**James McNamara, Head Teacher**  
**Accounting Officer**

Date: - 10/12/18

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

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on *10 Dec 18* and signed on its behalf by:

  
**Richard Lindop**  
**Chair of Governors**



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

**Opinion**

We have audited the financial statements of The Ecclesbourne School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

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work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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

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**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.

*Smith Cooper Audit Limited*

Sarah Flear (Senior statutory auditor)

for and on behalf of

**Smith Cooper Audit Limited**

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 7/12/18

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
ECCLESBOURNE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 February 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ecclesbourne School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Ecclesbourne School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Ecclesbourne School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Ecclesbourne School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Ecclesbourne School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Ecclesbourne School's funding agreement with the Secretary of State for Education dated 11 February 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the outcome of the 2017 regularity audit
- a review of the evidence used to support the Accounting Officer's conclusions on the Regularity Statement
- a review of the adequacy of the work of the internal auditors and the adequacy of the program of work
- a review of the reports prepared by the internal auditors during the year ended 31 August 2018
- a review of the internal control environment and whether the environment has regard to regularity of transactions. Consideration to significant changes in the control environment and whether this has led to potential weaknesses
- confirmation through enquiry and sample testing that gifts and hospitality are given and received in line with the Academy Trust's policies

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ECCLESBOURNE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

- confirmation through enquiry and sample testing that the use of expense claims or credit cards and petty cash adheres to internal control principles and that items are not for personal benefit
- confirmation through enquiry and sample testing that expenditure does not contravene the funding agreement
- confirmation through enquiry and sample testing that the lines of delegation and limits set both internally and by the ESFA have been adhered to
- consideration to procurement and tendering procedures ensuring these have been correctly adhered to and administered
- consideration to the compliance of the Academy's delegated authorities over financial transactions and evidence of prior approval from the Secretary of State where applicable
- a review of declarations of business interests for all governors/directors and key staff
- a review of transactions with connected parties ensuring these have been completed following correct procurement and tendering procedures
- a review of meeting minutes of the various committees
- consideration of executive pay ensuring that the Board follow a robust evidenced based process and that these decisions are documented
- consideration to the distribution of ESFA letters received by the academy and that these are shared with members, trustees, CFO and other members of the senior leadership team and that this distribution is evidenced within board minutes
- a review of any excessive purchases of gifts and alcohol
- consideration of timely responses to findings by auditors.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Smith Cooper Audit limited*

**Smith Cooper Audit Limited**  
Chartered Accountants and Statutory Auditors  
2 Lace Market Square  
Nottingham  
NG1 1PB

Date: 17/12/18 -

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £	
Note						
<b>Income from:</b>						
Funding for academy's educational operations	2	992,935	6,932,570	-	7,925,505	7,019,425
Other trading activities	3	58,582	89,594	-	148,176	152,521
Investments	4	4,216	-	-	4,216	3,173
<b>Total income</b>		<u>1,055,733</u>	<u>7,022,164</u>	<u>-</u>	<u>8,077,897</u>	<u>7,175,119</u>
<b>Expenditure on:</b>						
Academy educational operations		10,242	7,162,313	402,694	7,575,249	7,511,608
<b>Total expenditure</b>	6	<u>10,242</u>	<u>7,162,313</u>	<u>402,694</u>	<u>7,575,249</u>	<u>7,511,608</u>
<b>Net income / (expenditure) before transfers</b>		1,045,491	(140,149)	(402,694)	502,648	(336,489)
Transfers between Funds	17	-	(294,726)	294,726	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		1,045,491	(434,875)	(107,968)	502,648	(336,489)
Actuarial gains on defined benefit pension schemes	21	-	346,000	-	346,000	548,000
<b>Net movement in funds</b>		<u>1,045,491</u>	<u>(88,875)</u>	<u>(107,968)</u>	<u>848,648</u>	<u>211,511</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		96,920	(87,085)	20,218,050	20,227,885	20,016,374
<b>Total funds carried forward</b>		<u><u>1,142,411</u></u>	<u><u>(175,960)</u></u>	<u><u>20,110,082</u></u>	<u><u>21,076,533</u></u>	<u><u>20,227,885</u></u>

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**REGISTERED NUMBER: 07524069**

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

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	12		20,110,082		20,218,050
<b>Current assets</b>					
Stocks	13	641		960	
Debtors	14	124,519		189,934	
Cash at bank and in hand		2,594,739		1,907,788	
			<u>2,719,899</u>		<u>2,098,682</u>
<b>Creditors:</b> amounts falling due within one year	15	<u>(178,448)</u>		<u>(336,847)</u>	
<b>Net current assets</b>			<u>2,541,451</u>		<u>1,761,835</u>
<b>Total assets less current liabilities</b>			<u>22,651,533</u>		<u>21,979,885</u>
Defined benefit pension scheme liability	21		<u>(1,575,000)</u>		<u>(1,752,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>21,076,533</u></u>		<u><u>20,227,885</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	17	1,399,040		1,664,915	
Restricted fixed asset funds	17	20,110,082		20,218,050	
Restricted income funds excluding pension liability		<u>21,509,122</u>		<u>21,882,965</u>	
Pension reserve		<u>(1,575,000)</u>		<u>(1,752,000)</u>	
Total restricted income funds			<u>19,934,122</u>		<u>20,130,965</u>
Unrestricted income funds	17		<u>1,142,411</u>		<u>96,920</u>
<b>Total funds</b>			<u><u>21,076,533</u></u>		<u><u>20,227,885</u></u>

The financial statements on pages 20 to 43 were approved by the Governors, and authorised for issue, on 10 Dec 18 and are signed on their behalf, by:

  
**Mr R Lindop**  
**Chair of Governors**

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>977,461</u>	<u>297,194</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		4,216	3,173
Purchase of tangible fixed assets		<u>(294,726)</u>	<u>(718,728)</u>
<b>Net cash used in investing activities</b>		<u>(290,510)</u>	<u>(715,555)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>686,951</b>	<b>(418,361)</b>
Cash and cash equivalents brought forward		<u>1,907,788</u>	<u>2,326,149</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>2,594,739</u></u>	<u><u>1,907,788</u></u>



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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The Ecclesbourne School constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

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

**1. Accounting policies (continued)**

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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:

Freehold property	-	2% on cost
Furniture and equipment	-	15% on cost
Motor vehicles	-	20% on cost
Computer equipment	-	20% on cost

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

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

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

**1. Accounting policies (continued)**

**1.6 Stocks**

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

**1.7 Liabilities and provisions**

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

**1.8 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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.

**1.9 Taxation**

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

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

**1. Accounting policies (continued)**

**1.10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.11 Fund accounting**

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

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

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

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

**1. Accounting policies (continued)**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**2. Funding for academy's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	6,352,044	6,352,044	6,421,546
Other DfE Group grants	-	135,223	135,223	137,951
	-	6,487,267	6,487,267	6,559,497
<b>Other government grants</b>				
Local authority grants	992,935	208,314	1,201,249	221,042
	992,935	208,314	1,201,249	221,042
<b>Other income from the academy trust's educational operations</b>				
School trip income	-	236,989	236,989	238,886
	-	236,989	236,989	238,886
<b>Total</b>	<b>992,935</b>	<b>6,932,570</b>	<b>7,925,505</b>	<b>7,019,425</b>
<i>Total 2017</i>	-	7,019,425	7,019,425	

**3. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
Exam fees and teacher release	-	17,334	17,334	21,072
Hire of facilities	58,582	-	58,582	57,299
Other income	-	72,260	72,260	74,150
	58,582	89,594	148,176	152,521
<i>Total 2017</i>	57,299	95,222	152,521	

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

**4. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	4,216	-	4,216	3,173
<i>Total 2017</i>	<u>3,173</u>	<u>-</u>	<u>3,173</u>	

**5. Analysis of expenditure by activities**

	Direct activities 2018 £	Support costs 2018 £	Total 2018 £	As restated Total 2017 £
Academy educational operations	6,062,855	1,512,394	7,575,249	7,511,608
<i>Total 2017</i>	<u>5,984,476</u>	<u>1,527,132</u>	<u>7,511,608</u>	

**6. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	As restated Total 2017 £
Activities:					
Direct costs	4,995,687	333,248	733,920	6,062,855	5,984,476
Support costs	727,927	468,433	316,034	1,512,394	1,527,132
	<u>5,723,614</u>	<u>801,681</u>	<u>1,049,954</u>	<u>7,575,249</u>	<u>7,511,608</u>
<i>Total 2017</i>	<u>5,690,983</u>	<u>845,483</u>	<u>975,142</u>	<u>7,511,608</u>	

In 2018, of the total expenditure, £10,242 (2017 - £Nil) related to unrestricted funds and £7,565,007 (2017 - £7,511,608) related to restricted funds.

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**7. Academy educational operations**

	<b>Total funds 2018 £</b>	<i>As restated Total funds 2017 £</i>
<b>Direct costs - educational operations</b>		
Wages and salaries	3,947,963	3,919,541
National insurance	397,089	393,397
Pension cost	650,635	645,836
Depreciation	352,170	340,619
Educational supplies	199,989	191,662
Examination fees	184,748	189,107
Staff development	30,570	34,165
Other direct costs	299,691	270,149
	<hr/>	<hr/>
Total	6,062,855	5,984,476
<b>Analysis of support costs</b>		
Wages and salaries	451,162	457,105
National insurance	30,516	30,831
Pension cost	246,249	244,273
Rent, rates and utilities	193,371	185,940
Maintenance of premises and equipment	237,823	299,592
Cleaning and trade waste	180,722	161,039
Other support costs	93,757	84,377
Insurance	48,465	36,415
Governance costs	30,329	27,560
	<hr/>	<hr/>
Total	1,512,394	1,527,132
	<hr/>	<hr/>
Total Academy's educational operations	7,575,249	7,511,608
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 August 2018, the academy incurred the following Governance costs:

	<b>2018 £</b>	<b>2017 £</b>
Audit fees	9,400	8,500
Other non-audit fees	11,455	8,998
Legal and professional fees	9,474	10,062
	<hr/>	<hr/>
Total	30,329	27,560
	<hr/> <hr/>	<hr/> <hr/>



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**8. Net income/(expenditure)**

Net income/(expenditure) for the period includes:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>352,170</b>	<b>340,619</b>
Fees payable to auditor for audit	<b>9,400</b>	<b>8,500</b>
Fees payable to previous auditor for other services	<b>9,955</b>	<b>8,998</b>
Governance Internal audit costs current auditor	<b>1,500</b>	<b>-</b>
Operating lease rentals	<b>22,336</b>	<b>10,482</b>
	<u><u>          </u></u>	<u><u>          </u></u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

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**9. Staff costs**

Within operating costs of defined benefit pension schemes are net finance costs of £45,000 (2017 - £44,000).

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<i>As restated</i>
	£	£
Wages and salaries	4,294,176	4,290,795
Social security costs	427,605	424,228
Operating costs of defined benefit pension schemes	896,884	890,109
	<b>5,618,665</b>	<b>5,605,132</b>
Agency staff costs	104,949	85,851
	<b>5,723,614</b>	<b>5,690,983</b>

**b. Staff numbers**

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

	<b>2018</b>	<i>2017</i>
	No.	No.
Teachers	98	95
Administration and support	53	57
Management	7	7
	<b>158</b>	<b>159</b>

**c. Higher paid staff**

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

	<b>2018</b>	<i>2017</i>
	No.	No.
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	4	2
In the band £100,001 - £200,000	1	1

The 6 (2017 - 6) employees above participated in the Teachers' Pension Scheme.

**d. Key management personnel**

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £619,489 (2017 - £557,535).

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**10. Governors' remuneration and expenses**

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

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
J McNamara (principal and governor)	Remuneration	<b>105,000-110,000</b>	<i>100,000-105,000</i>
	Pension contributions paid	<b>15,000-20,000</b>	<i>15,000-20,000</i>
J Minton (staff governor)	Remuneration	<b>10,000-15,000</b>	<i>10,000-15,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
R White (staff governor) - to 31/07/2017	Remuneration	<b>0-5,000</b>	<i>10,000-15,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
M Ford (staff governor)	Remuneration	<b>45,000-50,000</b>	<i>45,000-50,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>5,000-10,000</i>

During the year, no Governors received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

**11. Governors' and Officers' Insurance**

The academy trust has opted into the Department for 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 Governors and officers indemnity element from the overall cost of the RPA scheme.

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**12. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2017	21,487,689	45,279	156,779	30,555	21,720,302
Additions	236,140	55,555	3,031	-	294,726
Disposals	(50,524)	-	-	-	(50,524)
<b>At 31 August 2018</b>	<b>21,673,305</b>	<b>100,834</b>	<b>159,810</b>	<b>30,555</b>	<b>21,964,504</b>
<b>Depreciation</b>					
At 1 September 2017	1,350,882	20,846	121,053	9,471	1,502,252
Charge for the year	323,006	9,594	14,302	5,268	352,170
<b>At 31 August 2018</b>	<b>1,673,888</b>	<b>30,440</b>	<b>135,355</b>	<b>14,739</b>	<b>1,854,422</b>
<b>Net book value</b>					
<b>At 31 August 2018</b>	<b>19,999,417</b>	<b>70,394</b>	<b>24,455</b>	<b>15,816</b>	<b>20,110,082</b>
<i>At 31 August 2017</i>	<i>20,136,807</i>	<i>24,433</i>	<i>35,726</i>	<i>21,084</i>	<i>20,218,050</i>

Land and buildings additions included £61,755 in relation to staff room costs, £40,320 in relation to the English block, £88,149 in relation to the new entrance, £12,885 relating to the sixth form extension and the remainder on capital bid costs.

The disposals relate to the reversal of a duplication for retentions with £40,525 relating to the English Block and £9,999 relating to the entrance costs.

Included in land and buildings is freehold land at valuation of £5,500,000 (2017 - £5,500,000), which is not depreciated.

**13. Stocks**

	2018 £	2017 £
Stationery	641	960

**14. Debtors**

	2018 £	2017 £
Trade debtors	1,212	55,308
VAT recoverable	65,296	84,899
Prepayments and accrued income	58,011	49,727
	<b>124,519</b>	<b>189,934</b>

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**15. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	50,957	272,740
Accruals and deferred income	127,491	64,107
	178,448	336,847
	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	50,495	78,348
Resources deferred during the year	101,802	50,495
Amounts released from previous years	(50,495)	(78,348)
Deferred income at 31 August 2018	101,802	50,495

Deferred income relates to trip income and rates relief which relate to the 2018/19 academic and financial year.

**16. Prior year adjustment**

**Prior year reclassifications have been made as follows:**

£322,000 reclassification between actuarial gains on defined benefit pension schemes and expenditure on academy educational operations. This has resulted in an increase in the actuarial gain of £322,000, an increase in staff costs of £179,000 and an increase in governance support costs of £143,000. The reclassification has arisen due to changes introduced under FRS 102 whereby the remeasurement of the net defined pension liability to be recognised in other comprehensive income should now also include the return on plan assets excluding amounts included in net interest as opposed to just the remeasurements/changes in assumptions.

£31,264 reclassification to other income which has resulted from trip and events income and expenditure being netted off within other income rather than disclosing gross within the financial statements. Trip income totals £238,885 and trip expenditure £270,149.

**Total restatement changes**

Income has increased by £270,149 as a result of the £238,885 and £31,264 reclassifications. Income now totals £7,175,119 compared to the original £6,904,970.

Expenditure has increased by £592,149 as a result of the £322,000 and £270,149 reclassifications. Expenditure now totals £7,511,608 compared to the original £6,919,459.

Actuarial gains on defined benefit pension schemes have increased by £322,000. Actuarial gains now total £548,000 compared to the original £226,000.

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**17. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Hire of facilities	57,299	58,582	(10,242)	-	-	105,639
Bank interest	39,621	4,216	-	-	-	43,837
Local authority grants - Section 106 funding	-	992,935	-	-	-	992,935
	<u>96,920</u>	<u>1,055,733</u>	<u>(10,242)</u>	<u>-</u>	<u>-</u>	<u>1,142,411</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,614,420	6,352,042	(6,336,354)	(294,726)	-	1,335,382
Exam fees and teacher release	-	17,335	(17,335)	-	-	-
Local authority grants	-	208,314	(208,314)	-	-	-
Other DfE Group Grants	-	135,223	(135,223)	-	-	-
Other income	50,495	309,250	(296,087)	-	-	63,658
Pension reserve	(1,752,000)	-	(169,000)	-	346,000	(1,575,000)
	<u>(87,085)</u>	<u>7,022,164</u>	<u>(7,162,313)</u>	<u>(294,726)</u>	<u>346,000</u>	<u>(175,960)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	11,536,318	-	(138,603)	-	-	11,397,715
Capital expenditure from GAG	868,894	-	(71,899)	294,726	-	1,091,721
Capital expenditure from unrestricted funds	2,655,418	-	(65,322)	-	-	2,590,096
DfE Group Capital Grants	5,157,420	-	(126,870)	-	-	5,030,550
	<u>20,218,050</u>	<u>-</u>	<u>(402,694)</u>	<u>294,726</u>	<u>-</u>	<u>20,110,082</u>
Total restricted funds	<u>20,130,965</u>	<u>7,022,164</u>	<u>(7,565,007)</u>	<u>-</u>	<u>346,000</u>	<u>19,934,122</u>
Total of funds	<u><u>20,227,885</u></u>	<u><u>8,077,897</u></u>	<u><u>(7,575,249)</u></u>	<u><u>-</u></u>	<u><u>346,000</u></u>	<u><u>21,076,533</u></u>

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

The General Annual Grant, and other DfE Group grants relate to government funding for the provision of education by the academy including Special Educational Needs projects. Other restricted income relates to non-government restricted funding.

Unrestricted reserves comprise the net of income and expenditure from lettings, bank interest and Section 106 refunds.

Restricted fixed asset funds are resources which are to be applied to a specific purpose imposed by the

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**17. Statement of funds (continued)**

Department for Education where the asset acquired or created is held for a specific purpose.

The gain of £346,000 is an actuarial gain on the defined benefit pension scheme.

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

**Statement of funds - prior year**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>General funds</b>						
Hire of facilities	-	57,299	-	-	-	57,299
Bank interest	36,448	-	-	-	-	36,448
	<u>36,448</u>	<u>57,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,747</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,260,985	6,421,546	(6,349,383)	(718,728)	-	1,614,420
Exam fees and teacher release	-	21,072	(21,072)	-	-	-
Local authority grants	-	221,042	(221,042)	-	-	-
Other DfE Group Grants	-	137,951	(137,951)	-	-	-
Other income	-	313,036	(262,541)	-	-	50,495
Pension reserve	(2,121,000)	-	(179,000)	-	548,000	(1,752,000)
	<u>139,985</u>	<u>7,114,647</u>	<u>(7,170,989)</u>	<u>(718,728)</u>	<u>548,000</u>	<u>(87,085)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	11,734,501	-	(198,183)	-	-	11,536,318
Capital expenditure from GAG	153,123	-	(2,957)	718,728	-	868,894
Capital expenditure from unrestricted funds	2,702,824	-	(47,406)	-	-	2,655,418
DfE Group Capital Grants	5,249,493	-	(92,073)	-	-	5,157,420
	<u>19,839,941</u>	<u>-</u>	<u>(340,619)</u>	<u>718,728</u>	<u>-</u>	<u>20,218,050</u>
Total restricted funds	<u>19,979,926</u>	<u>7,114,647</u>	<u>(7,511,608)</u>	<u>-</u>	<u>548,000</u>	<u>20,130,965</u>
Total of funds	<u>20,016,374</u>	<u>7,171,946</u>	<u>(7,511,608)</u>	<u>-</u>	<u>548,000</u>	<u>20,224,712</u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Hire of facilities	-	115,881	(10,242)	-	-	105,639
Bank interest	36,448	4,216	-	-	-	40,664
Local authority grants - Section 106 funding	-	992,935	-	-	-	992,935
	<u>36,448</u>	<u>1,113,032</u>	<u>(10,242)</u>	<u>-</u>	<u>-</u>	<u>1,139,238</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,260,985	12,773,588	(12,685,737)	(1,013,454)	-	1,335,382
Exam fees and teacher release	-	38,407	(38,407)	-	-	-
Local authority grants	-	429,356	(429,356)	-	-	-
Other DfE Group Grants	-	273,174	(273,174)	-	-	-
Other income	-	622,286	(558,628)	-	-	63,658
Pension reserve	(2,121,000)	-	(348,000)	-	894,000	(1,575,000)
	<u>139,985</u>	<u>14,136,811</u>	<u>(14,333,302)</u>	<u>(1,013,454)</u>	<u>894,000</u>	<u>(175,960)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	11,734,501	-	(336,786)	-	-	11,397,715
Capital expenditure from GAG	153,123	-	(74,856)	1,013,454	-	1,091,721
Capital expenditure from unrestricted funds	2,702,824	-	(112,728)	-	-	2,590,096
DfE Group Capital Grants	5,249,493	-	(218,943)	-	-	5,030,550
	<u>19,839,941</u>	<u>-</u>	<u>(743,313)</u>	<u>1,013,454</u>	<u>-</u>	<u>20,110,082</u>
Total Restricted funds	<u>19,979,926</u>	<u>14,136,811</u>	<u>(15,076,615)</u>	<u>-</u>	<u>894,000</u>	<u>19,934,122</u>
Total of funds	<u><u>20,016,374</u></u>	<u><u>15,249,843</u></u>	<u><u>(15,086,857)</u></u>	<u><u>-</u></u>	<u><u>894,000</u></u>	<u><u>21,073,360</u></u>



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**18. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	20,110,082	20,110,082
Current assets	1,142,411	1,577,488	-	2,719,899
Creditors due within one year	-	(178,448)	-	(178,448)
Provisions for liabilities and charges	-	(1,575,000)	-	(1,575,000)
	<u>1,142,411</u>	<u>(175,960)</u>	<u>20,110,082</u>	<u>21,076,533</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	20,218,050	20,218,050
Current assets	96,920	2,001,762	-	2,098,682
Creditors due within one year	-	(336,847)	-	(336,847)
Provisions for liabilities and charges	-	(1,752,000)	-	(1,752,000)
	<u>96,920</u>	<u>(87,085)</u>	<u>20,218,050</u>	<u>20,227,885</u>

**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	502,648	(336,489)
<b>Adjustment for:</b>		
Depreciation charges	352,170	340,619
Dividends, interest and rents from investments	(4,216)	(3,173)
Reverse duplicated fixed asset retentions	50,524	-
Decrease in stocks	319	1,320
Decrease/(increase) in debtors	65,415	(3,263)
(Decrease)/increase in creditors	(158,399)	119,180
Defined benefit pension scheme cost less contributions payable	124,000	135,000
Defined benefit pension scheme finance cost	45,000	44,000
<b>Net cash provided by operating activities</b>	<u>977,461</u>	<u>297,194</u>

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**20. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	2,594,739	1,907,788
Total	2,594,739	1,907,788

**21. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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**21. Pension commitments (continued)**

The employer's pension costs paid to TPS in the period amounted to £559,466 (2017 - £552,930).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £198,875 (2017 - £201,485), of which employer's contributions totalled £157,008 (2017 - £158,179) and employees' contributions totalled £41,867 (2017 - £43,306). The agreed contribution rates for future years are 22.6% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	<b>2.50 %</b>
Rate of increase in salaries	<b>2.90 %</b>	<b>2.90 %</b>
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	<b>2.40 %</b>
Inflation assumption (CPI)	<b>2.40 %</b>	<b>2.40 %</b>
Commutation of pensions to lump sums	<b>50.00 %</b>	<b>50.00 %</b>

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>21.9</b>	<b>21.9</b>
Females	<b>24.4</b>	<b>24.4</b>
Retiring in 20 years		
Males	<b>23.9</b>	<b>23.9</b>
Females	<b>26.5</b>	<b>26.5</b>

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**21. Pension commitments (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,698,000	1,550,400
Bonds	482,000	433,200
Property	178,000	159,600
Cash	178,000	136,800
	<hr/>	<hr/>
Total market value of assets	<b>2,536,000</b>	<b>2,280,000</b>
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The actual return on scheme assets was £122,000 (2017 - £359,000).

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

	2018 £	2017 £
Current service cost	(282,000)	(287,000)
Net interest cost	(45,000)	(44,000)
	<hr/>	<hr/>
Total	<b>(327,000)</b>	<b>(331,000)</b>
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Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	4,032,000	3,938,000
Current service cost	282,000	287,000
Interest cost	104,000	81,000
Contributions by scheme participants	41,000	43,000
Change in financial assumptions	(283,000)	(226,000)
Estimated benefits paid net of transfers in	(65,000)	(91,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>4,111,000</b>	<b>4,032,000</b>
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Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	2,280,000	1,817,000
Interest income	59,000	37,000
Return on assets less interest	63,000	322,000
Contributions by employer including unfunded	158,000	152,000
Contributions by scheme participants	41,000	43,000
Estimated benefits paid plus unfunded net of transfers in	(65,000)	(91,000)
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Closing fair value of scheme assets	<b>2,536,000</b>	<b>2,280,000</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**22. Operating lease commitments**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	22,336	10,482
Between 1 and 5 years	46,045	20,964
Total	<u>68,381</u>	<u>31,446</u>

**23. Members' liability**

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

**24. Related party transactions**

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

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. In the accounting period ending 31 August 2018, no related party transactions took place.