

Company Registration Number: 07524069 (England & Wales)

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

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Reference and Administrative Details

Members	Mr R Lindop *
	Mr B Wigram *
	Mrs B Goth *
Trustees	Mr R Lindop, Chair ¹
	Mr B Wigram, Vice Chair
	Mrs B Goth ¹
	Mr J McNamara, Head Teacher ¹
	Mr S Baines ¹
	Ms H Dixon (resigned 24 September 2018)
	Mrs N Edwards (resigned 31 July 2019)
	Ms K Eley
	Mrs W Hodges
	Mr K Raynor ¹
	Mrs J Winwood (resigned 26 September 2018)
	Mrs A McDermott (resigned 23 July 2019)
	Mrs D Outhwaite (resigned 23 July 2019) ¹
	Mr M Ryan (resigned 23 July 2019) ¹
	Mr M Ford ¹
	Mr J Minton
	Mr J Blackwell (appointed 11 March 2019) ¹
	Mr T Harris (appointed 11 March 2019) ¹
	Mrs E Page (appointed 11 March 2019) ¹
	Mr P McCrea (appointed 7 January 2019) ¹
	Mr B Payne (appointed 7 January 2019)
	Ms C Robertson (appointed 11 March 2019)
	Mrs C Shelton (appointed 7 January 2019)
	Mr I Jarvis (appointed 11 March 2019) ¹

¹ 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
Company secretary	Ms G Cawley

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Reference and Administrative Details (continued)
For the year ended 31 August 2019

**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
Mr A Hardy, ICT Services Manager
Mrs T Spencer-Keyse, Human Resources Manager
Mr D Tanser, Director of Examinations and Assessment

Independent auditors

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

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Governors' Report
For the year ended 31 August 2019

The Members present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Members' 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 Members of The Ecclesbourne School that are marked with (*) as directors within the Reference and Administrative Details section are directors of the charitable company for the purposes of the Companies Act 2006 but all Governors are Trustees for the purposes of charity legislation.

The charitable company is known as The Ecclesbourne School.

Details of the Members who served during the year, and to the date these accounts are approved 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 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 Members who are elected and co-opted under the terms of the Trust deed.

e. Policies 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.

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Governors' Report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

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 Teacher, 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	4,607
Total pay bill	5,505,299
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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Governors' Report (continued)
For the year ended 31 August 2019

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.

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Governors' Report (continued)
For the year ended 31 August 2019

Strategic report

Achievements and performance

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
- 83% grades 9-4 in Mathematics
- 91% grades 9-4 (A*-C) in both English and Mathematics
- 72% grades 9-5 English and Mathematics (National: 43%)
- Progress 8 score of +0.57 was significantly positive (National: 0)
- Attainment 8 score was 59 (National: 46.1)
- 56.9% grades 9-4 English Baccalaureate
- 93 % achieved 5 or more GCSE passes at grades 9-4 (A*C)
- 99% of students remained in education, training or employment post-16
- At A Level 81% of grades were at A*-C, 60% at A*-B and 31% at A*-A
- There were 501 applications for 240 places in Year 7
- Attendance was 96%

b. Going concern

After making appropriate enquiries, the board of Members has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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. 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 £20,148,139; of which when excluding the pension reserve deficit of £2,694,000 leaves £20,487,362 of restricted fixed asset funds, £570,860 of general unrestricted funds and £1,783,917 of restricted funds. The LGPS deficit of £2,694,000 will not materialise in the near future and actual reserve funding available to the Academy excluding the LGPS liability is £2,354,777.

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Governors' Report (continued)
For the year ended 31 August 2019

Strategic report (continued)

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 18 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 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 £2.7m.

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 2019

Plans for future periods

1. Learning and Teaching - 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 cognitive load theory, learning to learn and strategies to support boys' achievement.
2. Raising Achievement Key Stage 3, Key Stage 4 and Key Stage 5 - We will ensure all students are equipped to achieve their potential and that gaps in achievement are closed between boys and girls, SEN and non-SEN and PP and non-PP students. 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.
3. Curriculum Reform Key Stage 3, Key Stage 4 and Key Stage 5 – We will plan for and implement new courses to maintain and enhance student progress in light of national changes in curriculum and assessment. This year we will be focusing on a review of the Key Stage 3 curriculum: intent, implementation and impact to ensure stretch and challenge with a focus on a knowledge rich diet for all. We will expose Year 9 to more challenging GCSE style content and assessment. The Key Stage 3 assessment and curriculum prospectus will be reviewed and updated and a parent information evening will be held. The Key Stage 4 and 5 options booklets will be reviewed.
4. Pupil Premium Strategy – The PP strategy will be reviewed with a focus on ensuring PP students are identified in mark books and are known to all teachers. Target grades for PP students will be based on achieving at least FFT20 and ALIS estimates, the gap between PP attainment and national non-PP achievement under 10% and positive if possible, PP students to make at least expected progress by the end of Key Stage 4 and gaps in attendance and persistent absence will be closed.
5. Mental Health and Resilience (Students) – 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 reviewing provision in terms of pastoral care, personal development and citizenship, extra-curricular offer, student voice and student leadership to develop an annually updated mental health and resilience strategy. We will implement the Youth Mental First Aid Quality Mark, engage parents/carers in genuine participation, engage students through encouraging pupil voice, authentic involvement in learning, decision-making and peer-led approaches. Staff development and professional learning will be prioritised, so that staff understand the risk factors to wellbeing and help students develop the resilience to overcome adverse circumstances.
6. Mental Health and Resilience (Staff) - At Ecclesbourne we value our staff and recognise the on-going contributions they make to the continued success of the whole school. School staff juggle many different tasks and demands, so it's important that everyone is given the right emotional and practical support so that they can, in turn support our students. This year we will be focusing on supporting teachers to implement behaviour policies consistently, reducing teacher workload in the areas of marking, administrative tasks and unnecessary paperwork associated with planning, reducing unnecessary workload associated with data and evidence collection, ensuring that parents are informed about the most appropriate ways of raising concerns in order that staff are protected from unreasonable expectations. We will foster a positive and collegial working environment in which staff feel supported, valued and listened to and have an appropriate level of autonomy.
7. Keeping Children Safe in Education (2019) – All training, policies and procedures will be reviewed and updated in line with the latest guidance.
8. IAG Gatsby Benchmarks – We will ensure the school is fully compliant with the requirements for careers education and is externally accredited with the Careers Mark.
9. Relationship and Sex Education – We will develop policy and practice so that Relationships & Sex

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Governors' Report (continued)
For the year ended 31 August 2019

Plans for future periods (continued)

Education is fully compliant with new requirements by September 2020.

10. Education Inspection Framework 2019 – We will ensure that staff and governors are prepared for the requirements of the EIF 2019.
11. Communication Strategy – We will ensure that the school is making best use of all means of two-way communication to ensure stakeholders are well informed.
12. Compliance and Website – We will ensure compliance across whole school policy and practice.
13. School Direct – We will aim to offer every faculty the opportunity to have an ITT student teacher in place for September 2020.
14. Finance Review – A full review of policies, reporting and structures will be undertaken and a decision regarding future structure and staffing of the finance team will be taken.
15. Behaviour and Safeguarding – We will continue to ensure all students are safe and happy and that staff are well trained and vigilant in applying practice which minimises risk to students.
16. Leadership and Governance – We will ensure the school is well led and managed and is held to account and challenged by governors. All governors will understand the school's strengths and weaknesses and will understand the whole school vision and key strategic priorities.
17. Developing Student Leadership – A review of effectiveness of the revised structures for student leadership will be made, following improvements in 2018 to 2019.
18. Faculty Review – We will pilot improved mechanism for faculty review of teaching and learning, focusing on implementation of policy and process and review of PM targets in relation to WSIP and CPD.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Members are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the board of Members, as the company directors, on 9 December 2019 and signed on its behalf by:


Mr R Lindop
Chair of Governors

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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.

This year the Full Governing Body met four times for scheduled meetings and a further two times in December and June. In addition, the Finance & Audit Committee meets four times a year. The Personnel Committee, Health & Safety/Facilities Committee and the Students & Curriculum Committee each meet three times every year. The FGB receives minutes and reports from each committee to which it delegates governance functions in accordance with the governance scheme of delegation and the terms of reference for committees. In addition, the Admissions Committee and the Pay Committee each meets twice a year and the Staff Employment Committee and Student Discipline Committee meet as necessary.

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	2	4
Mrs B Goth	2	4
Mr J McNamara, Head Teacher	4	4
Mr S Baines	4	4
Ms H Dixon	0	0
Mrs N Edwards	3	4
Ms K Eley	2	4
Mrs W Hodges	4	4
Mr K Raynor	4	4
Mrs J Winwood	0	0
Mrs A McDermott	4	4
Mrs D Outhwaite	4	4
Mr M Ryan	3	4
Mr M Ford	4	4
Mr J Minton	4	4
Mr J Blackwell	2	2
Mr T Harris	2	2
Mrs E Page	2	2
Mr P McCrea	2	2
Mr B Payne	2	2
Ms C Robertson	0	0
Mrs C Shelton	0	0
Mr I Jarvis	1	2

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Governance Statement (continued)

Governance (continued)

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 during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mr S Baines	3	4
Mr J Blackwell	1	1
Mr M Ford	4	4
Mrs B Goth	1	4
Mr T Harris	1	1
Mr I Jarvis	1	1
Mr R Lindop, Chair	3	4
Mr J McNamara, Head Teacher	4	4
Mrs D Outhwaite	4	4
Mr K Raynor	4	4
Mr M Ryan	3	4
Mr P McCrea	1	1

The Academies Financial Handbook states that the board must meet at least three times per year and must describe in the governance statement why it has met less than 6 times. Whilst the full board have met less than 6 times during the year it has maintained effective oversight through

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 on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Ecclesbourne School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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Governance Statement (continued)

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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 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 connected party transactions
- testing of purchases
- testing of payroll
- testing of expense claims
- testing of credit card transactions
- testing of bank and cash
- testing of financial reporting and control account reconciliations
- testing of submission of ESFA returns and other compliance matters

On an annual basis, the internal 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 Governors' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, and no material control issues arose.

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Governance Statement (continued)

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 Members on 9 December 2019 and signed on their behalf by:



Mr R Lindop, Chair
Chair of Governors



Mr J 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 board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



Mr J McNamara, Head Teacher
Accounting Officer
Date: 9 December 2019

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Statement of Governors' responsibilities
For the year ended 31 August 2019

The Members (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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Members to prepare financial statements for each financial year. Under company law the Members 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 Members are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Members 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 Members 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 Members 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 Members on 9 December 2019 and signed on its behalf by:


Mr R Lindop
Chair of Governors

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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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School
(continued)

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. Other information includes the Reference and Administrative Details, the Governors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Ecclesbourne School
(continued)

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement, the Members (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. This description forms part of our Auditors' Report.

Use of our report

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



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

9 December 2019

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Ecclesbourne School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ecclesbourne School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion was as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out a programme of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to The Ecclesbourne School and
the Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 9 December 2019

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Funding for academy's educational operations	3	-	7,311,820	107,740	7,419,560	7,925,505
Other trading activities	4	64,880	50,348	-	115,228	148,176
Investments	5	6,904	-	-	6,904	4,216
Total income		71,784	7,362,168	107,740	7,541,692	8,077,897
Expenditure on:						
Academy educational operations	7	15,211	7,154,291	358,584	7,528,086	7,575,249
Total expenditure		15,211	7,154,291	358,584	7,528,086	7,575,249
Net income/(expenditure)		56,573	207,877	(250,844)	13,606	502,648
Transfers between funds	18	(628,124)	-	628,124	-	-
Net movement in funds before other recognised gains/(losses)		(571,551)	207,877	377,280	13,606	502,648
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(942,000)	-	(942,000)	346,000
Net movement in funds		(571,551)	(734,123)	377,280	(928,394)	848,648
Reconciliation of funds:						
Total funds brought forward		1,142,411	(175,960)	20,110,082	21,076,533	20,227,885
Net movement in funds		(571,551)	(734,123)	377,280	(928,394)	848,648
Total funds carried forward		570,860	(910,083)	20,487,362	20,148,139	21,076,533

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 47 form part of these financial statements.

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)
Registered number: 07524069

Balance Sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	20,487,362	20,110,082
		<u>20,487,362</u>	<u>20,110,082</u>
Current assets			
Stocks	14	4,862	641
Debtors	15	167,810	124,519
Cash at bank and in hand		2,670,133	2,594,739
		<u>2,842,805</u>	<u>2,719,899</u>
Creditors: amounts falling due within one year	16	(488,028)	(178,448)
Net current assets		<u>2,354,777</u>	<u>2,541,451</u>
Total assets less current liabilities		<u>22,842,139</u>	<u>22,651,533</u>
Net assets excluding pension liability		<u>22,842,139</u>	<u>22,651,533</u>
Defined benefit pension scheme liability	23	(2,694,000)	(1,575,000)
Total net assets		<u><u>20,148,139</u></u>	<u><u>21,076,533</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	20,487,362	20,110,082
Restricted income funds	18	1,783,917	1,399,040
		<u>22,271,279</u>	<u>21,509,122</u>
Restricted funds excluding pension asset	18	22,271,279	21,509,122
Pension reserve	18	(2,694,000)	(1,575,000)
Total restricted funds	18	<u>19,577,279</u>	<u>19,934,122</u>
Unrestricted income funds	18	570,860	1,142,411
Total funds		<u><u>20,148,139</u></u>	<u><u>21,076,533</u></u>

The financial statements on pages 21 to 47 were approved by the Governors, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

Mr R Lindop
Chair of Governors

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Statement of Cash Flows
For the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	804,354	977,461
Cash flows from investing activities	21	(728,960)	(290,510)
Change in cash and cash equivalents in the year		75,394	686,951
Cash and cash equivalents at the beginning of the year		2,594,739	1,907,788
Cash and cash equivalents at the end of the year	22	<u>2,670,133</u>	<u>2,594,739</u>

The notes on pages 24 to 47 form part of these financial statements

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

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, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Ecclesbourne School meets the definition of a public benefit entity under 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

THE ECCLESBOURNE SCHOOL
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.3 Income (continued)

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

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Furniture and equipment	-	15% on cost
Computer equipment	-	20% on cost
Motor vehicles	-	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 and reclassified to freehold or leasehold land and buildings.

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

1.7 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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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.

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

1.12 Pensions

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

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

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

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

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.13 Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

3. Funding for the Academy's academy trust educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,739,405	6,739,405	6,352,043
Other DfE Group grants	-	181,517	181,517	135,223
	-	6,920,922	6,920,922	6,487,266
Other government grants				
Local authority grants	-	187,372	187,372	1,201,249
	-	187,372	187,372	1,201,249
Other income from the academy trust's educational operations				
School trip income	-	311,266	311,266	236,990
	-	311,266	311,266	236,990
	-	7,419,560	7,419,560	7,925,505
Total 2018	992,935	6,932,570	7,925,505	

4. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Exam fees and teacher release	-	9,154	9,154	17,334
Hire of facilities	64,880	-	64,880	58,582
Other income	-	41,194	41,194	72,260
	64,880	50,348	115,228	148,176
Total 2018	58,582	89,594	148,176	

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	6,904	6,904	4,216

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Academy trust educational operations:					
Direct costs	4,967,513	373,202	730,999	6,071,714	6,062,855
Allocated support costs	736,354	447,885	272,133	1,456,372	1,512,394
	<u>5,703,867</u>	<u>821,087</u>	<u>1,003,132</u>	<u>7,528,086</u>	<u>7,575,249</u>
Total 2018	<u><u>5,723,614</u></u>	<u><u>801,681</u></u>	<u><u>1,049,954</u></u>	<u><u>7,575,249</u></u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Academy trust educational operations	15,211	7,512,875	7,528,086	7,575,249
Total 2018	<u><u>10,242</u></u>	<u><u>7,565,007</u></u>	<u><u>7,575,249</u></u>	

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Academy trust educational operations	6,071,714	1,456,372	7,528,086	7,575,249
<i>Total 2018</i>	<i>6,062,855</i>	<i>1,512,394</i>	<i>7,575,249</i>	

Analysis of direct costs

	Academy trust educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	4,967,513	4,967,513	4,995,687
Depreciation	358,584	358,584	352,170
Educational supplies	206,361	206,361	199,989
Examination fees	185,365	185,365	184,748
Staff development	28,880	28,880	30,570
Other direct costs	325,011	325,011	299,691
	<u>6,071,714</u>	<u>6,071,714</u>	<u>6,062,855</u>

THE ECCLESBOURNE SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy trust educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	736,354	736,354	727,927
Rent, rates and utilities	203,847	203,847	193,371
Maintenance of premises and equipment	178,818	178,818	237,823
Cleaning and trade waste	168,149	168,149	180,722
Other support costs	83,148	83,148	93,757
Insurance	35,532	35,532	48,465
Governance costs	50,524	50,524	30,329
	<u>1,456,372</u>	<u>1,456,372</u>	<u>1,512,394</u>

During the year ended 31 August 2019, the academy incurred the following Governance costs:

	2019 £	2018 £
Audit fees	7,900	7,900
Other accountancy and non-audit fees	14,219	12,955
Legal and professional fees	28,405	9,474
	<u>50,524</u>	<u>30,329</u>

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	22,336	22,336
Depreciation of tangible fixed assets	358,584	352,170
Governance internal audit costs	1,300	1,500
Fees paid to auditors for:		
- audit	7,900	7,900
- other services	3,050	3,000
	<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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	4,332,058	4,294,176
Social security costs	430,313	427,605
Pension costs	919,097	896,884
	<u>5,681,468</u>	<u>5,618,665</u>
Agency staff costs	22,399	104,949
	<u>5,703,867</u>	<u>5,723,614</u>

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10. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	87	98
Administration and support	51	53
Management	8	7
	<u>146</u>	<u>158</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	1	-
In the band £120,001 - £130,000	1	1

The 6 (2018 - 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 £709,981 (2018 - £619,489).

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11. 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 staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019	2018
		£	£
Mr J McNamara (Head Teacher)	Remuneration	110,000 - 115,000	105,000 - 110,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Mr M Ford (staff governor)	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mr J Minton (staff governor)	Remuneration	10,000 - 15,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year, retirement benefits were accruing to 2 Governors (2018 - 2) in respect of defined benefit pension schemes.

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

12. 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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13. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2018	21,673,305	-	100,834	159,810	30,555	21,964,504
Additions	139,885	476,536	9,016	110,427	-	735,864
At 31 August 2019	<u>21,813,190</u>	<u>476,536</u>	<u>109,850</u>	<u>270,237</u>	<u>30,555</u>	<u>22,700,368</u>
Depreciation						
At 1 September 2018	1,673,888	-	30,440	135,355	14,739	1,854,422
Charge for the year	325,484	-	13,645	14,187	5,268	358,584
At 31 August 2019	<u>1,999,372</u>	<u>-</u>	<u>44,085</u>	<u>149,542</u>	<u>20,007</u>	<u>2,213,006</u>
Net book value						
At 31 August 2019	<u>19,813,818</u>	<u>476,536</u>	<u>65,765</u>	<u>120,695</u>	<u>10,548</u>	<u>20,487,362</u>
At 31 August 2018	<u>19,999,417</u>	<u>-</u>	<u>70,394</u>	<u>24,455</u>	<u>15,816</u>	<u>20,110,082</u>

Land and buildings and assets under construction additions included £25,358 in relation to boiler costs, £42,710 in relation to the Science Laboratory, £67,103 in relation to Cable Upgrades and £400,432 in relation to Classroom Refurbishments.

Included in land and buildings is freehold land at valuation of £5,500,000 (2018 - £5,500,000), which is not depreciated.

14. Stocks

	2019 £	2018 £
Stationery	<u>4,862</u>	<u>641</u>

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15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	1,250	1,212
VAT recoverable	57,967	65,296
Prepayments and accrued income	108,593	58,011
	<u>167,810</u>	<u>124,519</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	172,187	50,957
Accruals and deferred income	315,841	127,491
	<u>488,028</u>	<u>178,448</u>

	2019 £	2018 £
Deferred income at 1 September 2018	101,802	50,495
Resources deferred during the year	94,276	101,802
Amounts released from previous periods	(101,802)	(50,495)
	<u>94,276</u>	<u>101,802</u>

Deferred income relates to trip income and rates relief which relate to the 2019/20 academic and financial year.

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17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	2,670,133	2,594,739
Financial assets that are debt instruments measured at amortised cost	1,250	1,212
	<u>2,671,383</u>	<u>2,595,951</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(393,752)	(76,646)

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

Financial assets that are debt instruments measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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18. Statement of funds

	Balance at 1 Sep 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Hire of facilities	105,639	64,880	(15,211)	-	-	155,308
Bank interest	43,837	6,904	-	-	-	50,741
Local authority grants - Section 106 funding	992,935	-	-	(628,124)	-	364,811
	<u>1,142,411</u>	<u>71,784</u>	<u>(15,211)</u>	<u>(628,124)</u>	<u>-</u>	<u>570,860</u>
Restricted general funds						
General Annual Grant (GAG)	1,335,382	6,739,405	(6,361,920)	-	-	1,712,867
Exam fees and teacher release	-	9,154	(9,154)	-	-	-
Local authority grants	-	187,372	(187,372)	-	-	-
Other DfE Group Grants	-	73,777	(73,777)	-	-	-
Other income	63,658	352,460	(345,068)	-	-	71,050
Pension reserve	(1,575,000)	-	(177,000)	-	(942,000)	(2,694,000)
	<u>(175,960)</u>	<u>7,362,168</u>	<u>(7,154,291)</u>	<u>-</u>	<u>(942,000)</u>	<u>(910,083)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	11,397,715	-	(138,756)	-	-	11,258,959
Capital expenditure from GAG	1,091,721	-	(25,529)	-	-	1,066,192
Capital expenditure from unrestricted funds	2,590,096	-	(74,145)	628,124	-	3,144,075
DfE Group Capital Grants	5,030,550	107,740	(120,154)	-	-	5,018,136
	<u>20,110,082</u>	<u>107,740</u>	<u>(358,584)</u>	<u>628,124</u>	<u>-</u>	<u>20,487,362</u>
Total Restricted funds	<u>19,934,122</u>	<u>7,469,908</u>	<u>(7,512,875)</u>	<u>628,124</u>	<u>(942,000)</u>	<u>19,577,279</u>
Total funds	<u><u>21,076,533</u></u>	<u><u>7,541,692</u></u>	<u><u>(7,528,086)</u></u>	<u><u>-</u></u>	<u><u>(942,000)</u></u>	<u><u>20,148,139</u></u>

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18. Statement of funds (continued)

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

The loss of £942,000 is an actuarial loss 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 it could carry forward at 31 August 2019.

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
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>
Restricted general funds						
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)

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18. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
	<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>
Restricted fixed asset funds						
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 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>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	20,487,362	20,487,362
Current assets	570,860	2,271,945	-	2,842,805
Creditors due within one year	-	(488,028)	-	(488,028)
Provisions for liabilities and charges	-	(2,694,000)	-	(2,694,000)
Total	<u>570,860</u>	<u>(910,083)</u>	<u>20,487,362</u>	<u>20,148,139</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	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)
Total	<u>1,142,411</u>	<u>(175,960)</u>	<u>20,110,082</u>	<u>21,076,533</u>

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20. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	13,606	502,648
Adjustments for:		
Depreciation	358,584	352,170
Interest receivable	(6,904)	(4,216)
Defined benefit pension scheme cost less contributions payable	131,000	124,000
Defined benefit pension scheme finance cost	46,000	45,000
(Increase)/decrease in stocks	(4,221)	319
(Increase)/decrease in debtors	(43,291)	65,415
Increase/(decrease) in creditors	309,580	(158,399)
Reverse duplicated fixed asset retentions	-	50,524
Net cash provided by operating activities	804,354	977,461

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	6,904	4,216
Purchase of intangible assets	(735,864)	(294,726)
Net cash used in investing activities	(728,960)	(290,510)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,670,133	2,594,739
Total cash and cash equivalents	2,670,133	2,594,739

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23. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 next valuation of the TPS has been undertaken and employer contribution rates have been reassessed and will be payable from 1 September 2019 at 23.68%.

The employer's pension costs paid to TPS in the year amounted to £566,347 (2018 - £559,466).

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

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

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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £235,527 (2018 - £198,875), of which employer's contributions totalled £175,075 (2018 - £157,008) and employees' contributions totalled £60,452 (2018 - £41,867). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 - 12 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.80	2.90
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.30	2.40
Commutation of pensions to lump sums	50.00	50.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,734,000	1,698,000
Bonds	683,000	482,000
Property	228,000	178,000
Cash	199,000	178,000
Total market value of assets	2,844,000	2,536,000

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23. Pension commitments (continued)

The actual return on scheme assets was £155,000 (2018 - £122,000).

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

	2019 £	2018 £
Current service cost	(283,000)	(282,000)
Past service cost	(24,000)	-
Interest cost	(46,000)	(45,000)
Total amount recognised in the Statement of Financial Activities	(353,000)	(327,000)

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

	2019 £	2018 £
At 1 September	4,111,000	4,032,000
Current service cost	283,000	282,000
Interest cost	119,000	104,000
Contributions by scheme participants	46,000	41,000
Change in financial assumptions	1,024,000	(283,000)
Estimated benefits paid net of transfers in	(69,000)	(65,000)
Losses on curtailments	24,000	-
At 31 August	5,538,000	4,111,000

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

	2019 £	2018 £
At 1 September	2,536,000	2,280,000
Interest income	73,000	59,000
Return on assets less interest	82,000	63,000
Employer contributions	176,000	158,000
Employee contributions	46,000	41,000
Estimated benefits paid plus unfunded net of transfers in	(69,000)	(65,000)
At 31 August	2,844,000	2,536,000

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24. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	22,336	22,336
Later than 1 year and not later than 5 years	23,709	46,045
	<u>46,045</u>	<u>68,381</u>

25. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 11.

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

