

Registration number: 09023805

Loughborough Church of England Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Fortus Audit LLP
Chartered Accountants and Statutory Auditor
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Loughborough Church of England Primary School

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Loughborough Church of England Primary School

Reference and Administrative Details

Members	Mr S A Beals Mr H Jones Mr S Adshead Diocese of Leicester Education Trust
Governors and Trustees (Directors)	Ms J Stillwell, Head Teacher and Accounting Officer Mr H Jones, Chair Ms G Bates, Vice Chair Mr S A Beals (resigned 14 November 2019) Rev M Broadley, Ex Officio Rev W Dalrymple, Ex Officio Mr A Duxbury Mrs E Blackmore Mrs J Tripp (resigned 5 February 2020) Mrs G Doyle Mr C Hardisty Ms E Mitchell Mr M O'Flynn (resigned 20 December 2019) Ms K Fletcher Ms A Gilbert (appointed 18 March 2020) Ms J Wilkinson (appointed 11 June 2020)
Company Secretary	Ms S Sweeting
Head Teacher	Ms J Stillwell
Senior Management Team	Ms J Stillwell, Head Teacher Mrs N Ferey, Deputy Head Teacher Mrs S Sweeting, School Business Manager
Principal and Registered Office	William Street Loughborough Leicestershire LE11 3BY
Company Registration Number	09023805

Loughborough Church of England Primary School

Reference and Administrative Details (continued)

Auditors	Fortus Audit LLP Chartered Accountants and Statutory Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
Bankers	Natwest Bank Plc Market Place Loughborough Leicestershire LE11 3EA
Solicitors	Lee Bolton Monier Williams 1 The Sanctuary London SW1P 3JT

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 09023805.

The governors act as the trustees for the charitable activities of Loughborough Church of England Primary School and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

Foundation Governors continue to be elected following nomination by the Parochial Church Councils of the ecclesiastical parishes of either Loughborough Emmanuel or Loughborough All Saints with Holy Trinity to the Diocese of Leicester.

Parent Governors are elected by parents of registered pupils at the Academy. An elected Parent Governor must be a parent of a pupil at the Academy at the time s/he is elected. The election process provides for every person who is entitled to have an opportunity to do so by post, or if s/he prefers, by having a ballot paper returned to the Academy Trust by a registered pupil at the Academy.

The Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, and given an opportunity to do so. Where it is not reasonably practical to appoint a person who is the parent of a registered pupil at the Academy, a person who is a parent of a child of compulsory school age can be appointed.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Policies and procedures adopted for the induction and training of Trustees

Newly appointed Governors are provided with a copy of the Governors' Handbook outlining their roles and responsibilities as Governor of the Academy Trust. Ongoing training such as Governor Induction training provided by Leicestershire County Council, the local teaching school and Loughborough Primary Academies Partnership (LPAP) There is also training provided in specific areas of Governance and Management of the Academy Trust. Governors receive regular updates from the National Governor Association to keep abreast of the latest developments.

Foundation Governors receive specific training opportunities provided by the Diocesan Board of Education for Leicester.

Organisational structure

The Headteacher undertakes the role of Accounting Officer with the School Business Manager acting as the Academy's Financial Controller.

The full Governing Body normally meets at least twice a term. 2020 has been an unprecedented year, however. The imposition of a national lockdown due to Covid-19 in March led to the cancellation of a meeting scheduled for March. Subsequent meetings were held virtually and a total of five meetings took place in the academic year 2019/2020. The full Governing Body took the decision at its meeting in February 2020 to end the practice of alternating between finance and curriculum focussed meetings. A general agenda at which key issues in both areas could be considered was felt to be more productive.

During the first half of the academic year, the full Governing Body continued to attach importance to the monitoring of pupil progress, receiving reports on the use of Sports and Pupil Premiums (and appointing a governor to take specific responsibility for the latter). There were regular curriculum updates. Once the lockdown took effect, however, agendas were recast to allow the Head to report principally on measures instigated to manage alternative priorities. Particular prominence was afforded to risk assessments drawn up, reviewed and amended in the light of government regulations and protocols.

The Health, Safety, Premises and Attendance (HSPA) Committee and the Ethos Committee also met regularly during the year, switching to remote engagement after lockdown. The HSPA Committee reviews all premises matters to ensure that the building meets all current requirements as well as reviewing ongoing works necessary under general maintenance. The Committee had external professional support from YMD Boon during the year. Day to day health, safety, premises and attendance matters are addressed in house given additional internal staff experience, overseen by the School Business Manager.

The Ethos Committee is instrumental in ensuring continued focus and development of the school's Christian ethos as a church school.

Decisions taken by the full Governing Body are made fully in accordance with the Academy Trust's Articles of Association.

The school has been managed on a daily basis in line with the policies and processes approved by the Governing Body, subject to ongoing review and updating, which is also in accordance with the school's funding agreement. During the period when the school was closed and then re-opened on a partial basis, the Head ensured that the Chair of Governors was kept fully informed regarding day to day management and consulted regarding any policy modifications.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration of key management personnel, including performance management, are carried out by the Trustees' Pay committee following Leicestershire County Council guidelines.

Connected organisations, including related party relationships

The Academy Trust, whilst a standalone Academy, remains a member of the Loughborough Primary Academies Partnership. This is a network of schools based in the immediate locality which collaborates to ensure the children of Loughborough receive the best possible education. LPAP works together on developing policies, shares best practices within the educational arena and provides a network across different areas within schools such as School Business Managers, Premises Officers, etc.

This Academy continues to enjoy a close relationship with the Diocesan Board of Education given our status as a church school. Our headteacher, Mrs Stillwell, continues to develop relationships with other schools where experiences and developments can be shared.

The Academy has a separate PFA (Parents & Friends Association) known as the Loughborough CE Primary School PFA, charity number 1095995. Fundraising for the school is carried out through this associated body made up of parents, staff and friends.

Objectives and activities

Objects and aims

The Academy Trust's objective is to advance for the public benefit education in the Loughborough area by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, having regard to advice provided by the Diocesan Board of Education.

Objectives, strategies and activities

The school leadership team of Loughborough Church of England Primary School have identified the following priorities for improvement in the latest school development plan:

1. To ensure that an ambitious, innovative and relevant curriculum is in place for all learners.
2. To continue to raise attainment in maths through a mastery approach in order to promote fluency, reasoning and problem solving
3. To ensure that a robust and thorough catch-up plan is in place to enable all children, but especially vulnerable pupils to recover from the effects of the Covid pandemic
4. To continue to strengthen the extent to which leaders and staff plan, design and implement the Early Years curriculum.
5. To manage financial budgets and resources effectively to ensure the long-term financial sustainability of the school
6. To Develop the role of middle leaders to strengthen school improvement further
7. To implement the new (statutory) relationships and sex education curriculum

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

A. 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 ("the Academy"); and

B. To promote for the benefit of the inhabitants of Loughborough and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Achievements and performance

2019/20 RESULTS OVERVIEW

Due to statutory testing being suspended due to the COVID 19 pandemic, there are no performance indicators available for benchmarking. The school has carried out internal assessments following the return of children to school in September. These initial assessments indicate that approximately 50% of pupils were able to demonstrate performance at age-related standard. Work is in place using the government's catch up funding to identify and close gaps in progress and attainment as rapidly as possible.

Going concern

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

Financial review

The Academy had a net decrease in funds for the year ended 31 August 2020 of £176,685 including fixed assets movements. As at 31 August 2020 the Academy held £293,046 of unrestricted reserves plus £32,887 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £325,933.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £871,000 at 31 August 2020 and a fixed asset reserve of £83,833 being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other ESFA/DfE grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Reserves policy

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 5-6% of the annual budget, being £100,000.

Actual free reserves plus unspent GAG as at 31 August 2020 were £325,933, being higher than the target level set by the Trustees by £225,933. The historic reserves figure was set to cover monthly overheads and ensure the academy trust had sufficient funds to cover ongoing payments. The current reserves figure is higher than this as the academy had surplus funds upon conversion and since then have prudently managed the schools resources to ensure value for money was achieved as well as ensuring the school operated effectively. The academy has also received external funding for capital items which meant the academy did not have to use resources previously identified for those purposes. As the trust moves ahead, the reserves will diminish as the academy invests in additional ICT equipment to keep the school up to date technologically, refurbishment projects within the school as well as longer term replacement of the external classrooms. In addition, over the next 4 years the academy expect to see costs grow faster than income streams, which will see the current surplus eroded. The academy trust will be taking steps in 2020-21 to address the in-year deficit and to preserve reserve funds going forward.

Cash at bank at 31 August 2020 was £27,332 higher than total available reserves due principally to accruals timing differences.

At 31 August 2020 the Academy's fixed asset reserve of £83,833 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £871,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

Investment policy

The Academy aims, and has a responsibility to, manage its cash balances to provide day to day working capital requirements of its operations, whilst ensuring a suitable return. Optimising returns, whilst ensuring that any investments made are low risk, continues to prove challenging in a low interest rate environment which has now continued for a number of years. The Academy currently invests reserve funds in a range of investment accounts to spread the risk, earn interest and remain within the FCSC limits. The interest for these accounts is automatically credited to the main school bank account. Investment accounts are reviewed regularly and the trustees agree whether to continue with the investment, based on the cash flow needs of the main school bank account, interest rates and notice periods required.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Strategic Report

Principal risks and uncertainties

The Governing Body continues to review the principal risk register regularly. The primary concern for the board at present is the in-year deficit budget. To the end of the 2019-20 financial year, the level of reserves held were sufficient to enable the school to tolerate the in-year deficit budget. However, future projections suggest that this situation can no longer continue and the school must take action in 2020-21 to address the situation in order to ensure the longer term viability of the school as a single academy trust.

A further uncertainty which arose during the year as a result of the national lockdown due to Covid-19 in 2020 and the resulting closure of schools for 6 months, was the extent that the school could meet the educational needs of children who could not attend formal schooling during this time. The Headteacher ensured that an online learning platform was made available immediately to all children in March, and class teachers engaged with their year groups in providing online learning opportunities for pupils. It is in the 2020-21 academic year that assessments will be made of the effect of the school closure on individual children and a programme of activities put in place to enable them to catch up with their peers. In addition, the ability to access online provision should partial or full closure occur again, has been enhanced through the rollout of software nationwide to schools and the availability of catch up and tuition funding provided by the DFE.

We retain Leicestershire County Council internal audit service to provide assessment of internal risks and our external auditors Fortus provide their opinion on management of risks annually. In addition, prior to Covid-19 pandemic, the governing body conducted their own regular review of key financial controls by appointing a governor to meet regularly with the School Business Manager to review key documents. This program has been suspended during the pandemic but will resume when considered safe to do so.

Plans for future periods

The Academy intends to fully address the areas for development identified within the school's strategic plans including the School Development Plan.

Fundraising

The school has an active Parent & Friends Association (PFA) which raises funds for use within the school. In 2019-20, the PFA's ability to raise funds was cut short by the Covid-19 pandemic. However, despite this limitation, the PFA have donated £1637 to the school as a contribution towards the cost of the trips and activities that were able to go ahead in the earlier part of the academic year. The school is grateful to the PFA for their efforts in raising funds to enhance the opportunities and experiences for our children.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2020 (continued)

Funds held as Custodian Trustee on behalf of others

The Academy does not hold any funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Fortus Audit LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 2 December 2020 and signed on its behalf by:

.....

Mr H Jones, Chair
Governor and trustee

Loughborough Church of England Primary School

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Ms J Stillwell, 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 Loughborough Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The information on governance included here supplements that provided in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees (elsewhere named the Governing Body) has met 6 times formally during the year. The imposition of lockdown due to Covid-19 and the temporary closure of the school in March 2020 led to the cancellation of the meeting scheduled to take place later that month. This gave a total of 6 meetings in the year 2019/2020.

It is important to note also that once meetings of the Board had resumed by remote link and at an earlier time in the day, some governors were not able to participate fully as a result of employment and domestic circumstances. This is reflected in the attendance figures which follow but should not be taken to indicate any diminution in commitment.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms G Bates, Vice Chair	6	6
Mr S A Beals	1	1
Mrs E Blackmore	4	6
Rev M Broadley, Ex Officio	3	6
Mr A Duxbury	3	6
Rev W Dalrymple, Ex Officio	0	6
Mrs G Doyle	6	6
Mr C Hardisty	4	6
Mr H Jones, Chair	6	6
Ms E Mitchell	4	6
Mr M O'Flynn (resigned 20 December 2019)	1	2
Mrs J Tripp (resigned 5 February 2020)	2	2
Ms K Fletcher	5	6
Ms J Stillwell, Head Teacher and Accounting Officer	6	6
Ms A Gilbert (appointed 18 March 2020)	3	3

Loughborough Church of England Primary School

Governance Statement (continued)

Ms J Wilkinson (appointed 11 June 2020)

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There have been changes to the membership of the Board during the year in question and sincere thanks are offered to all those who served during the year. New members have enriched the skill base of the Board (a recruitment priority) and it is hoped that this will aid the further development of the school over the coming years.

It needs emphasising again that much of the year covered by this report has been unprecedented, necessitating a flexible approach to the customary role of the Board.

Governors have continued, however, to be diligent in the execution of their responsibilities, acknowledging the severe challenges facing the Head and all staff (teaching and support) and expressing its profound appreciation for what has been achieved.

Timely and detailed information regarding the school's financial performance has been made available regularly (and in accordance with the rules) and the Governors review and monitor not only current expenditure but budgetary forecasts over a 5 year period.

Governance reviews

The Governors continue to attach importance to engagement. A skills audit of governors was undertaken in the Autumn 2019 and the results analysed and considered. Governor effectiveness training was undertaken in February 2020 and a Governor Walk led by the School Improvement Partner was carried out in early March 2020. Governors have expressed their wish to gain a clear understanding of their responsibilities and this is work in progress.

An Audit Committee has been established chaired by a governor who is neither Chair or Deputy Chair of the full board. It has begun to discharge its responsibilities and once normality has returned, it will meet at least once a term.

At the end of the year under review, there was a vacancy for a Foundation Governor. The process for filling this vacancy was well under way at year end.

Loughborough Church of England Primary School

Governance Statement (continued)

Review of Value for Money

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

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

The Governing Body, Head Teacher, Senior Management Team and staff are committed to achieving best value in all aspects of Loughborough Church of England school to facilitate continuous improvement. Time and resources will concentrate on important issues that provide added value, and will not be wasted where minor improvements or small savings may be made.

There are four principles of best value:

- Challenge - is the school's performance high enough? Why and how is service provided? Does the school need it? Can it be delivered in a better manner?
- Compare - how does the school's financial and pupil performance compare with its peers?
- Consult - how does the school seek the views of stakeholders on school services?
- Compete - how does the school secure efficient, effective and quality services? Is the school getting value for money from suppliers?

The four principles of best value will be applied when making decisions about:

Staffing:

Staff are deployed to provide best value in terms of quality of teaching, quality of learning, adult pupil ratio and curriculum management. Staffing is also managed to ensure differing needs of pupils are met.

Use of premises:

Consideration is given to the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, support services and central resources such as the library. The Academy constantly assesses the premises in order to make savings on associated costs. Currently the Academy has no external lettings.

Use of Resources:

Equipment, materials and services will be deployed to provide pupils and staff with resources that support quality of teaching and learning. Collaboration with LPAP is in place to share good practice, resources and economies of scale.

Teaching:

The quality of curriculum provision and teaching is reviewed to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum. Teaching should build on previous learning and incorporate high expectations of children's achievement. Training provision is in place to improve the quality of teaching and raise the percentage consistently working at an outstanding level.

Loughborough Church of England Primary School

Governance Statement (continued)

Learning:

The quality of children's learning is reviewed by cohort, class and group, to provide teaching that enables children to achieve above nationally expected progress.

Purchasing:

Procedures are in place for assessing need and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. Measures already in place includes competitive tendering procedures for goods and services, accepting best value quotes and purchasing certain goods or services from known, reliable suppliers. The Academy uses external brokers in order to gain the best price point for some services and energy costs.

Pupils' Welfare:

The quality of the school environment and ethos is reviewed to provide a supportive environment conducive to learning and recreation.

Health & Safety:

The quality of the school environment and equipment is reviewed and the carrying out of risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors. Reports continue to be presented to the Health & Safety Committee and Governors. No major breaches of Health & Safety recorded in 2019-20.

Monitoring:

These areas will be monitored for best value by:

- In house monitoring by the Head Teacher, Governors, SMT and Curriculum leaders.
- Target setting meetings between the Head Teacher and other leaders in school.
- Annual Performance Management.
- Annual Budget Planning.
- Head Teachers monthly financial review.
- Regular pricing review and benchmarking.
- Analysis of school pupil performance data by SMT and Governors.
- Analysis pupil performance data through ASP (Analysing School Performance).
- Analysis of financial data.
- OFSTED inspection reports.
- Governors' classroom observations/visits.
- Governors' meetings.
- Governors' Annual Finance Review/Auditor report.
- Governors Annual Strategic and Development Plan meeting.
- LPAP benchmarking.

School Position:

The School was last inspected by OFSTED in May 2017 and its status as a Good school was reaffirmed.

The School had a SIAMs inspection by the diocese in January 2018 and was awarded outstanding in all areas.

All audits undertaken by the ESFA, Leicestershire County Council Internal Audit Team and auditors appointed by the academy delivered satisfactory reports. The Academy has worked upon any feedback provided to ensure the school has a robust and effective management of its resources.

Loughborough Church of England Primary School

Governance Statement (continued)

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 trust 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 Loughborough Church of England Primary School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council as internal auditor

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On an annual basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

The last internal audit visit was in December 2019. Various recommendations were made with respect to the Academy's controls and procedures. The Academy has addressed the points raised.

Review of effectiveness

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

- the work of the internal auditor ;
- the work of the external auditor;

Loughborough Church of England Primary School

Governance Statement (continued)

- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 2 December 2020 and signed on its behalf by:

.....
Mr H Jones, Chair
Governor and trustee

.....
Ms J Stillwell
Accounting officer
Head Teacher

Loughborough Church of England Primary School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Loughborough Church of England Primary School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and 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 2019.

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 2019.

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

.....
Ms J Stillwell
Accounting officer

2 December 2020

Loughborough Church of England Primary School

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 2 December 2020 and signed on its behalf by:

.....
Mr H Jones, Chair
Governor and trustee

Loughborough Church of England Primary School

Independent Auditor's Report on the Financial Statements to the Members of Loughborough Church of England Primary School

Opinion

We have audited the financial statements of Loughborough Church of England Primary School (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Loughborough Church of England Primary School

Independent Auditor's Report on the Financial Statements to the Members of Loughborough Church of England Primary School (continued)

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Loughborough Church of England Primary School

Independent Auditor's Report on the Financial Statements to the Members of Loughborough Church of England Primary School (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy's Trustees, 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 trustees those matters we are required to state to them in an auditor's 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Richard Buckby FCA (Senior Statutory Auditor)

For and on behalf of Fortus Audit LLP,
Chartered Accountants and Statutory Auditors
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

15 December 2020

Loughborough Church of England Primary School

Independent Reporting Accountant's Report on Regularity to Loughborough Church of England Primary School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Loughborough Church of England Primary School during the period 1 September 2019 to 31 August 2020 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 Loughborough Church of England Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Loughborough Church of England Primary 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 Loughborough Church of England Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in place.

Loughborough Church of England Primary School

Independent Reporting Accountant's Report on Regularity to Loughborough Church of England Primary School and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Richard Buckby FCA

For and on behalf of Fortus Audit LLP,
Chartered Accountants and Statutory Auditors
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

15 December 2020

Loughborough Church of England Primary School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Donations and capital grants	2	-	-	6,261	6,261
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,013,058	-	1,013,058
Other trading activities	4	33,089	-	-	33,089
Investments	5	-	4,659	-	4,659
Total		33,089	1,017,717	6,261	1,057,067
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	1,184,881	42,871	1,227,752
Net income/(expenditure)		33,089	(167,164)	(36,610)	(170,685)
Transfers between funds		32,887	(52,479)	19,592	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	(6,000)	-	(6,000)
Net movement in funds/(deficit)		65,976	(225,643)	(17,018)	(176,685)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		259,957	(645,357)	100,851	(284,549)
Total funds/(deficit) carried forward at 31 August 2020		325,933	(871,000)	83,833	(461,234)

Loughborough Church of England Primary School

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	-	-	29,106	29,106
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,000,178	-	1,000,178
Other trading activities	4	62,109	-	-	62,109
Total		62,109	1,000,178	29,106	1,091,393
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	1,180,320	51,533	1,231,853
Net income/(expenditure)		62,109	(180,142)	(22,427)	(140,460)
Transfers between funds		-	(1,172)	1,172	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	(203,000)	-	(203,000)
Net movement in funds/(deficit)		62,109	(384,314)	(21,255)	(343,460)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		197,848	(261,043)	122,106	58,911
Total funds/(deficit) carried forward at 31 August 2019		259,957	(645,357)	100,851	(284,549)

Loughborough Church of England Primary School

(Registration number: 09023805)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	<u>83,833</u>	<u>100,851</u>
Current assets			
Stocks	12	-	480
Debtors	13	39,356	42,956
Cash at bank and in hand		<u>353,265</u>	<u>421,371</u>
		392,621	464,807
Creditors: Amounts falling due within one year	14	<u>(66,688)</u>	<u>(63,207)</u>
Net current assets		<u>325,933</u>	<u>401,600</u>
Total assets less current liabilities		<u>409,766</u>	<u>502,451</u>
Net assets excluding pension liability		409,766	502,451
Pension scheme liability	22	<u>(871,000)</u>	<u>(787,000)</u>
Net liabilities including pension liability		<u><u>(461,234)</u></u>	<u><u>(284,549)</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	141,643
Restricted fixed asset fund		83,833	100,851
Restricted pension fund		<u>(871,000)</u>	<u>(787,000)</u>
		(787,167)	(544,506)
Unrestricted funds			
Unrestricted general fund		<u>325,933</u>	<u>259,957</u>
Total funds		<u><u>(461,234)</u></u>	<u><u>(284,549)</u></u>

The financial statements on pages 24 to 45 were approved by the Trustees, and authorised for issue on 2 December 2020 and signed on their behalf by:

.....
Mr H Jones, Chair
Governor and trustee

Loughborough Church of England Primary School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	(53,175)	(39,269)
Cash flows from investing activities	19	<u>(14,931)</u>	<u>(1,173)</u>
Change in cash and cash equivalents in the year		(68,106)	(40,442)
Cash and cash equivalents at 1 September		<u>421,371</u>	<u>461,813</u>
Cash and cash equivalents at 31 August	20	<u><u>353,265</u></u>	<u><u>421,371</u></u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the trustees consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

Income

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 period 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 spent on capital projects in line with the terms and conditions of the grant. 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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

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, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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.

Asset class	Depreciation method and rate
Furniture and equipment	25% straight line
Furniture and equipment - toilets	15% straight line
Computer equipment	33% straight line

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust 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 trust 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.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust 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 to spread the cost of pensions over employees' working lives with the academy trust 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 based on 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 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 net income/(expenditure) 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.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019 has been used by the actuary in valuing the pensions liability at 31/08/2020. 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.

2 Donations and capital grants

	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	<u>6,261</u>	<u>6,261</u>	<u>29,106</u>

The income from donations and capital grants was £6,261 (2019: £29,106) of which £Nil was unrestricted (2019: £Nil), £Nil restricted (2019: £Nil) and £6,261 restricted fixed assets (2019: £29,106).

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	856,988	856,988	872,901
Other government grants			
Local authority grants	3,388	3,388	50
Other Dfe Group Grants	148,078	148,078	122,570
	<u>151,466</u>	<u>151,466</u>	<u>122,620</u>
Non-government grants and other income			
Other income	4,604	4,604	4,657
Total grants	<u>1,013,058</u>	<u>1,013,058</u>	<u>1,000,178</u>

The funding for educational operations was £1,013,058 (2019: £1,000,178) of which £Nil was unrestricted (2019: £Nil), £1,013,058 restricted (2019: £1,000,178) and £Nil restricted fixed assets (2019: £Nil).

4 Other trading activities

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Other income	19,068	19,068	27,377
Catering income	8,796	8,796	11,795
Recharges and reimbursements	5,206	5,206	18,604
Other income	19	19	4,333
	<u>33,089</u>	<u>33,089</u>	<u>62,109</u>

The income from other trading activities was £33,089 (2019: £62,109) of which £33,089 was unrestricted (2019: £62,109), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Restricted funds £	2019/20 Total £
Short term deposits	<u>4,659</u>	<u>4,659</u>

The income from investments was £4,659 (2019: £Nil) of which £Nil was unrestricted (2019: £Nil), £4,659 restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	723,691	42,871	16,240	782,802	769,041
Allocated support costs	205,280	108,206	131,464	444,950	462,812
	<u>928,971</u>	<u>151,077</u>	<u>147,704</u>	<u>1,227,752</u>	<u>1,231,853</u>

7 Charitable activities

	2019/20 £	2018/19 £
Direct costs - educational operations	782,802	769,041
Support costs - educational operations	<u>444,950</u>	<u>462,812</u>
	<u>1,227,752</u>	<u>1,231,853</u>

	Educational operations £	2019/20 Total £	2018/19 Total £
Analysis of support costs			
Support staff costs	205,280	205,280	211,700
Premises costs	108,206	108,206	104,976
Other support costs	125,326	125,326	140,393
Governance costs	<u>6,138</u>	<u>6,138</u>	<u>5,743</u>
Total support costs	<u>444,950</u>	<u>444,950</u>	<u>462,812</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff

Staff costs

	2019/20 £	2018/19 £
Staff costs during the year were:		
Wages and salaries	655,520	661,975
Social security costs	51,538	52,707
Operating costs of defined benefit pension schemes	215,901	186,805
	<u>922,959</u>	<u>901,487</u>
Supply staff costs	6,012	1,976
	<u>928,971</u>	<u>903,463</u>

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	13	10
Administration and support	26	25
Management	3	3
	<u>42</u>	<u>38</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No
£70,001 - £80,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions for this staff member amounted to £14,096 (2019 - £12,834).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £165,573 (2019: £171,513).

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Related party transactions - trustees' remuneration and expenses

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

Ms J Stillwell, Head Teacher and Accounting Officer (Staff Trustee):

Remuneration: £55,000 - £60,000 (2019 -)

Employer's pension contributions: £10,000 - £15,000 (2019 -)

Mrs E Blackmore (Staff Trustee):

Remuneration: £40,000 - £45,000 (2019 - £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

Mrs J Tripp (Staff Trustee):

Remuneration: £20,000 - £25,000 (2019 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2019 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £171 (2019 - £175).

The cost of this insurance is included in the total insurance cost.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

11 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 September 2019	223,167	58,546	281,713
Additions	23,255	2,596	25,851
At 31 August 2020	246,422	61,142	307,564
Depreciation			
At 1 September 2019	138,353	42,507	180,860
Charge for the year	32,742	10,129	42,871
At 31 August 2020	171,095	52,636	223,731
Net book value			
At 31 August 2020	75,327	8,506	83,833
At 31 August 2019	84,814	16,039	100,853

12 Stock

	2020 £	2019 £
Uniform and educational supplies stock	-	480

13 Debtors

	2020 £	2019 £
Trade debtors	-	2,971
VAT recoverable	5,486	9,368
Prepayments	33,870	30,617
	39,356	42,956

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,592	2,391
Other taxation and social security	12,619	12,241
Other creditors	16,954	15,028
Accruals	16,962	13,195
Deferred income	15,561	20,352
	<u>66,688</u>	<u>63,207</u>
	2020 £	2019 £

Deferred income

Deferred income at 1 September 2019	20,352	22,252
Resources deferred in the period	15,561	20,352
Amounts released from previous periods	<u>(20,352)</u>	<u>(22,252)</u>
Deferred income at 31 August 2020	<u>15,561</u>	<u>20,352</u>

Deferred income includes £15,561 (2019 - £16,952) relating to Universal Infant School Meals funding received in advance of the 2020/21 academic year.

15 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	141,643	1,017,717	(1,106,881)	(52,479)	-
Restricted fixed asset funds					
Tangible fixed assets	100,851	6,261	(42,871)	19,592	83,833
Restricted pension funds					
Pension reserve	<u>(787,000)</u>	<u>-</u>	<u>(78,000)</u>	<u>(6,000)</u>	<u>(871,000)</u>
Total restricted funds	<u>(544,506)</u>	<u>1,023,978</u>	<u>(1,227,752)</u>	<u>(38,887)</u>	<u>(787,167)</u>
Unrestricted funds					
Unrestricted general funds	<u>259,957</u>	<u>33,089</u>	<u>-</u>	<u>32,887</u>	<u>325,933</u>
Total funds	<u><u>(284,549)</u></u>	<u><u>1,057,067</u></u>	<u><u>(1,227,752)</u></u>	<u><u>(6,000)</u></u>	<u><u>(461,234)</u></u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Funds (continued)

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	244,957	1,000,178	(1,102,320)	(1,172)	141,643
Restricted fixed asset funds					
Tangible fixed assets	122,106	29,106	(51,533)	1,172	100,851
Restricted pension funds					
Pension reserve	<u>(506,000)</u>	<u>-</u>	<u>(78,000)</u>	<u>(203,000)</u>	<u>(787,000)</u>
Total restricted funds	(138,937)	1,029,284	(1,231,853)	(203,000)	(544,506)
Unrestricted funds					
Unrestricted general funds	<u>197,848</u>	<u>62,109</u>	<u>-</u>	<u>-</u>	<u>259,957</u>
Total funds	<u>58,911</u>	<u>1,091,393</u>	<u>(1,231,853)</u>	<u>(203,000)</u>	<u>(284,549)</u>

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

Restricted general funds

General Annual Grant (GAG), other DfE/ESFA grants and local authority grants are to be applied for the primary purpose of the Academy Trust in line with the master funding agreement and other specific funding letters. This includes the pension reserve, which represents the potential liability due by the Academy Trust at the year end.

Restricted fixed asset funds

The restricted fixed asset funds relate to the assets acquired on conversion to an Academy Trust, being the property and fixed assets purchased using grants.

Unrestricted funds

Unrestricted funds represents other incoming resources to the Academy Trust applied for the general purposes of the Trust at the discretion of the Trustees.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	83,833	83,833
Current assets	293,046	99,575	-	392,621
Current liabilities	-	(66,688)	-	(66,688)
Pension scheme liability	-	(871,000)	-	(871,000)
Total net assets	<u>293,046</u>	<u>(838,113)</u>	<u>83,833</u>	<u>(461,234)</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	100,851	100,851
Current assets	259,957	204,850	-	464,807
Current liabilities	-	(63,207)	-	(63,207)
Pension scheme liability	-	(787,000)	-	(787,000)
Total net assets	<u>259,957</u>	<u>(645,357)</u>	<u>100,851</u>	<u>(284,549)</u>

17 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	1,527	1,527
Amounts due between one and five years	<u>716</u>	<u>2,148</u>
	<u>2,243</u>	<u>3,675</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019/20	2018/19
	£	£
Net expenditure	(170,685)	(140,460)
Depreciation	42,871	51,534
Capital grants from DfE and other capital income	(6,261)	(29,106)
Interest receivable	(4,659)	-
Defined benefit pension scheme obligation inherited	64,000	63,000
Defined benefit pension scheme cost less contributions payable	(18,000)	(24,000)
Defined benefit pension scheme finance cost	32,000	39,000
Decrease in stocks	480	916
Decrease/(increase) in debtors	3,600	(8,487)
Increase in creditors	3,479	8,334
Net cash used in Operating Activities	<u>(53,175)</u>	<u>(39,269)</u>

19 Cash flows from investing activities

	2019/20	2018/19
	£	£
Dividends, interest and rents from investments	4,659	-
Purchase of tangible fixed assets	(25,851)	(30,279)
Capital funding received from sponsors and others	6,261	29,106
Net cash used in investing activities	<u>(14,931)</u>	<u>(1,173)</u>

20 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>353,265</u>	<u>421,371</u>
Total cash and cash equivalents	<u>353,265</u>	<u>421,371</u>

21 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.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £89,393 (2019: £62,905).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £78,044 (2019 - £75,820), of which employer's contributions totalled £63,510 (2019 - £61,158) and employees' contributions totalled £14,534 (2019 - £14,662). The agreed contribution rates for future years are 26.5 per cent for employers and 5.5-12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2020 %	2019 %
Rate of increase in salaries	2.70	3.30
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumptions (CPI)	2.20	2.30
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2020	2019
Retiring today		
Males retiring today	21.50	21.20
Females retiring today	23.80	23.40
Retiring in 20 years		
Males retiring in 20 years	22.20	22.20
Females retiring in 20 years	<u>25.20</u>	<u>24.70</u>

The academy trust's share of the assets in the scheme were:

	2020 £	2019 £
Equities	535,000	546,000
Government bonds	263,000	292,000
Property	73,000	75,000
Cash and other liquid assets	<u>36,000</u>	<u>28,000</u>
Total market value of assets	<u>907,000</u>	<u>941,000</u>

The actual return on scheme assets was (£94,000) (2019 - £56,000).

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost	128,000	100,000
Past service cost	-	24,000
Interest income	18,000	(24,000)
Interest cost	32,000	39,000
Total amount recognized in the SOFA	<u>178,000</u>	<u>139,000</u>

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

	2019/20 £	2018/19 £
At start of period	1,728,000	1,337,000
Current service cost	128,000	100,000
Interest cost	32,000	39,000
Employee contributions	15,000	15,000
Actuarial (gain)/loss	(106,000)	235,000
Benefits paid	(19,000)	(22,000)
Past service cost	-	24,000
At 31 August	<u>1,778,000</u>	<u>1,728,000</u>

Changes in the fair value of academy's share of scheme assets:

	2019/20 £	2018/19 £
At start of period	941,000	831,000
Interest income	18,000	24,000
Actuarial gain/(loss)	(112,000)	32,000
Employer contributions	64,000	61,000
Employee contributions	15,000	15,000
Benefits paid	(19,000)	(22,000)
At 31 August	<u>907,000</u>	<u>941,000</u>

23 Related party transactions

Owing to the nature of the academy trust 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, 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.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.