

Company Registration Number: 09023805 (England and Wales)

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
Reference and administrative details	1
Trustees' report	2 - 9
Governance statement	10 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 46

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

<b>Members</b>	Mr G North Mr S A Beals Mr H Jones Diocese of Leicester Educational Trust
<b>Trustees</b>	Mr S A Beals, Chair Mr H Jones, Vice Chair Rev M Broadley, Ex Officio Rev W Dalrymple, Ex Officio Mr R White (resigned 3 September 2018) Mr A Duxbury Mrs E Blackmore Mrs W Wakefield, Headteacher and Accounting Officer Mrs J Tripp Ms G Bates Mrs G Doyle Mr C Hardisty (appointed 1 January 2018) Ms E Mitchell (appointed 1 January 2018) Mr M O'Flynn (appointed 24 May 2018) Mr G North (resigned 27 September 2017)
<b>Company registered number</b>	09023805
<b>Company name</b>	Loughborough Church of England Primary School
<b>Principal and registered office</b>	Loughborough Church of England Primary School William Street Loughborough Leicestershire LE11 3BY
<b>Senior management team</b>	Mrs W Wakefield, Headteacher Mrs N Ferey, Assistant Headteacher Mrs R Busby, Assistant Headteacher Mrs S Sweeting, School Business Manager
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Unit 2 Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
<b>Bankers</b>	NatWest Bank Plc Market Place Loughborough Leicestershire LE11 3EA
<b>Solicitors</b>	Lee Bolton Monier Williams 1 The Sanctuary London LE11 3EA

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

The Trust operates as an Academy for pupils aged 4 to 11 serving the area of Loughborough. It has a pupil capacity of 210 and had a roll of 204 on the school census at May 2018.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **● Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company was incorporated on 2 May 2014. The school converted to Academy status on 1 June 2014 when its operations, assets and liabilities were transferred to the Academy from the Local Authority.

The Governors act as 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. The Charitable Company is known as Loughborough Church of England Primary School.

Details of the Governors who served during the year 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**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £3,000,000 and in the period under review the sum of £178 inclusive of tax was paid.

### **● 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**

**(A company limited by guarantee)**

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

#### **● 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. There is also 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 also receive regular updates from the National Governor Association to keep abreast of the latest developments.

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

#### **● Organisational structure**

The Headteacher has taken the role of Accounting Officer and the School Business Manager is Financial Controller.

The Full Governing Body continues to meet at least twice per term, one with a focus on curriculum related matters and the other with a resources focus. This has enabled the Governing Body to continue to keep close to the different way of monitoring pupil academic performance this year. In addition, there is a termly meeting of the Health & Safety committee with this specific focus which is aided by external professional support. This year we have also established an Ethos committee whose primary function will be to support the school in maintaining and developing its Christian ethos, in accordance with its mission statement. The committee had held the first meeting and begun work on reviewing the school values.

Decisions at the Full Governing Body meetings are made in line with the Academy Trust's Articles of Association.

The school is 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 schools funding agreement.

#### **● Pay policy for 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 Head Teacher is an Inspector for the Statutory Inspection of Anglican and Methodist Schools (SIAMS) and has worked with other Church schools to develop partnerships.

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

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

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:

**Objective 1 – Outcomes for Pupils**

- To ensure that all pupils make at least good progress, which is measurable, in maths and english throughout the school.
- To develop systems of support in year 2 and year 3 to ensure that more pupils are reaching age related expectations
- To continue to improve support mechanisms for SEND pupils and develop systems to enable closer tracking of progress.
- To continue to develop systems and strategies to ensure EYFS readiness for KS1

**Objective 2 – Teaching & Learning**

- To continue to review and develop the whole school curriculum to ensure full coverage of all key skills in each year group
- To ensure that effective systems are in place for tracking progress and evaluating how well pupils are learning in both core and foundation subjects

**Objective 3 - Improve aspects of leadership, management and governance**

- Ensure that the school continues to be distinctive and effective as a church school and begins to enable pupils to apply their understanding of the school's vision and core values to recognise and challenge global injustice
- To continue to develop systems and strategies to ensure that the school is fully compliant with the new GDPR (General Data Protection Regulations).
- To review health and safety policy and procedures to confirm and continue excellent practice in this area

**Objective 4 – Pupil Development, Behaviour & Welfare**

- To enable pupils to access a range of opportunities to develop their mental and physical health and wellbeing
- To ensure the highest priority for e-safety, safeguarding and safer recruitment procedures in school
- Ensure that no pupils are disadvantaged by low attendance

The Trustees will seek reports on progress on these key areas over the coming academic year.

● **Public benefit**

The Governors confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

- 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

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

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.

**STRATEGIC REPORT**

● **Key performance indicators**

**2017/18 RESULTS OVERVIEW**

EYFS Good Level of Development		
SCHOOL	LA	NATIONAL
76.7%	70.9%	71.5%

Yr 1 Phonics		
SCHOOL	LA	NATIONAL
87.0%	83.5%	82.5%

KS 1	SCHOOL		LA		NATIONAL	
	Working At or Above	Greater Depth	Working At or Above	Greater Depth	Working At or Above	Greater Depth
READING	70.0%	20.0%	75.1%	24.9%	75.4%	25.6%
WRITING	70.0%	10.0%	69.5%	14.8%	69.9%	15.9%
MATHS	70.0%	17.0%	76.0%	21.1%	76.1%	21.8%
SCIENCE	83.3%	-	83.9%	-	82.8%	-

KS 2	SCHOOL	LA	NATIONAL
READING	90.0%	76.3%	75.3%
WRITING	83.0%	80.0%	78.3%
MATHS	86.0%	76.6%	75.6%
GPS	89.7%	78.9%	77.7%
SCIENCE	86.2%	84.8%	82.5%
R/W/M	72.4%	65.3%	64.4%

It is clear that that in EYFS, Yr1 phonics, and KS2 the school has outperformed schools both locally and nationally. KS1 results reflected a particularly diverse cohort with a number of challenges and some mobility impact with results as expected. Whilst progress was identified, support for the coming year will be necessary and has been put in place for both Yr2 and Yr3.

Not only do our children work hard and behave well, we were also highlighted in the Loughborough Echo and Leicester Mercury as a 5 star school! Our achievements have put us in the list of the top 10 schools in Leicestershire and Leicester City and in the top 4% of the country. Well done to the pupils, staff and leadership team in this fantastic achievement!

● **Going concern**

After making appropriate enquires, the Governing Body 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.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**FINANCIAL REVIEW**

● **Financial review**

The Academy had a net increase in funds for the year ended 31 August 2018 of £5,886 including fixed assets movements but excluding pension reserve movements. As at 31 August 2018 the Academy held £197,848 of unrestricted reserves plus £244,957 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £442,805.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £506,000 at 31 August 2018 and a fixed asset reserve of £122,106 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 DfE Group 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.

● **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 £65,000.

Actual free reserves plus unspent GAG as at 31 August 2018 were £433,379, being higher than the target level set by the Trustees by approximately £368,000. 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 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 continue to monitor this position closely throughout the 2018/19 academic year.

The Academy also held other available restricted funds at the year end of £9,410 in relation to PE Sports Grant and £16 in relation to School Football Association. Cash at bank at 31 August 2018 was £19,008 higher than total available reserves due principally to accruals timing differences.

At 31 August 2018 the Academy's fixed asset reserve of £122,106 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 £506,000) 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.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

● **Material investments 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, is proving challenging in a low interest rate environment which has now continued for a number of years. There is to be a wider review, given this prolonged period of low interest rates, especially rates offered by the Banks noted in the current Articles. Given the Deposit Protection Scheme, there are other Banks that are to be considered as possible custodians of some of the Academy's cash balances.

● **Principal risks and uncertainties**

During the year, there has been a thorough re-review of the Risk Register maintained by the Trust, simplifying this to allow all parties to focus on key areas. As part of our Governance improvements, the SBM reports a key risk area to review at Governing Body meetings where the risks are assessed and any appropriate action required discussed.

This year has seen a great focus on General Data Protection Regulation (GDPR) and given the importance of this key legislative change, the Trust has engaged with external consultants to assist the schools preparation ahead of this law becoming law in May 2018. Further work continues to be undertaken to ensure robust procedures and processes are in place.

As we look ahead into the next academic year, the significant areas being addressed and reviewed are training of new staff in terms of H&S (i.e. the new premises officer), monitoring projected increasing in-year deficit budgets over the next few years, and reviewing the school's asset register.

The Governing Body reviews the reports from both internal and external audit reports to ensure we retain a robust governance process around all matters financial. Audit conclusions have not shown any major areas of concern to date and with the now established School Business Manager in situ, this will hopefully continue in the years ahead. However, audit requirements will continue to evolve and timely action will remain a key focus for everyone involved in the school to ensure we protect the funding provided to us as best we can. As we move into future years when funding is under further continued pressure, and cost impacts remain, the school will continue to look to prudent financial management as it has over previous years.

**1. Government funding**

The Academy has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the Local Authority.

The risk has and will continue to be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with various funding bodies;
- Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the Academy budget process.
- The Trust has forecast ongoing deficits in the coming years and is regularly discussing these on an ongoing basis. The School retains sufficient reserves to cover these in the immediate future. Longer term planning will remain critical as we move forward to try and ensure any deficit is minimised whilst trying to retain the standards evident throughout the school in its education provision, as well as the fabric of the buildings and provision of equipment as technology continues to develop in the delivery of education.



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**2. Maintain adequate funding of pension liabilities**

The financial statements report the share of the local government pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

The Academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

**3. Pupil Strategy**

The Academy seeks to maintain its popularity with current and prospective pupils by:

- Ensuring the Academy delivers high quality education and training;
- Maintaining and further improving inspection outcomes;
- Investing in its teaching staff and resources;
- Further developing buildings and grounds.

● **Fundraising**

The School has an active Parents & Friends Association (PFA) which raises funds for use within the school by undertaking various activities and events throughout the school year. The PFA has contributed £120 this year which has been used to buy selection boxes for Christmas, chocolate eggs at Easter and a gazebo for events held in and around school.

Given the fund raising activities are undertaken by parents of children attending school, it is not envisaged there will be any complaints in connection with their activities. However, should this be encountered, then this would be brought to and dealt with by the Governing Body. A Governor has reported to the Governing Body the activities of the PFA. In addition, when the PFA has considered some activities, this has been presented to the Governing Body for prior approval.

The school does not work with any commercial or professional fundraiser's.

**PLANS FOR FUTURE PERIODS**

● **Future developments**

The Academy intends to fully undertake the areas of development as detailed in the School Development Plan 2018/2019.

**Funds held as custodian**

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

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**Auditors**

Following audit tender it was decided that a new company of auditors be appointed for the three year period from September 2018. The designated Trustees will propose a motion to appoint Haines Watts Leicester LLP at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 5 December 2018 and signed on its behalf by:



**Mr S A Beals**  
**Chair of Trustees**

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**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 the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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.

**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
Mr S A Beals	4	6
Mr H Jones	5	6
Rev M Broadley	4	6
Rev W Dalrymple, Ex Officio	1	6
Mr R White	4	6
Mr A Duxbury	6	6
Mrs E Blackmore	5	6
Mrs W Wakefield, Headteacher	6	6
Mrs J Tripp	6	6
Ms G Bates	5	6
Mrs G Doyle	5	6
Mr C Hardisty	4	4
Ms E Mitchell	3	4
Mr M O'Flynn	1	1

This year has seen continued change within the make up of Governing Body and we would like to thank all those who have served during their terms of office. The new members have brought different skills and experiences to the Trust. This will hopefully help develop the school further over the coming years. However, we also have to plan ahead by considering impending terms of office coming to an end and continue to work on succession in a timely manner. The educational landscape will undoubtedly continue to evolve and we must ensure we retain and develop the necessary skills required of us to fully discharge our responsibilities as Trustees.

We propose to continue with our current meeting schedule which is considered most efficient, yet allows us the ability to discuss urgent matters, if required, with the full Governing Body represented.

We are also seeking to adhere to the best governance models within the sector. Following the former Chair of Governors stepping down, he agreed to remain as a Member and will be able to hold the Trustees and Senior Leadership Team to account for the performance of the school having an excellent background knowledge of the school.

We have continued to be provided with good quality data to show pupils performance and progress over the year. We have also been able to ensure that where further improvements are identified, that sufficient and suitable resources are being provided.

During the last financial year, the school had a successful Ofsted review with a further good assessment. This year the school was delighted to receive an assessment of outstanding under our latest SIAMS review. This continued to demonstrate the excellent work being undertaken within the school on a daily basis which is being recognised under external review bodies.



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

We continue to receive timely and informative information about the schools financial performance and are clearly looking ahead under the 5 year budget position. All schools continue to face funding challenges and the Governing Body continue to monitor this very closely with enhanced financial procedures being adopted in the new academic year following internal auditor advice.

**Governance reviews:**

We have continued to meet alternately with a focus on curriculum and finance. This has enabled us to have specific focus yet allow urgent matters to be brought to the attention of the Governing Body in a timely manner. There have also been termly meetings of the Health & Safety and Ethos committee. The Ethos committee has become firmly established this year and has had two main focus areas. SIAMS – the process and preparation for our recent inspection which resulted in retaining an outstanding grade. Vision & Values – revisiting these, consulting with all stakeholders and finally producing a new vision for the school and promoting values which are embraced by everyone in the school community.

We currently have a vacancy for a Foundation Governor to represent the Parochial Church Council of the ecclesiastical parish of Loughborough Emmanuel. We continue to benefit from a broad skill set which enables challenge to and support of the Senior Management Team in ensuring the effective management of the school.

**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, Headteacher, 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.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**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.

**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. There was an increase in the delivery of out of hours learning opportunities in 2017-2018.

**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. For building and maintenance needs, the school works with YMD Boon.

**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 2017-18.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**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 Curriculum leaders.
- 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.

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

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

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

- 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'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 through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The last internal audit visit was in October 2017. 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 auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees 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 5 December 2018 and signed on their behalf, by:



**Mr S A Beals**  
**Chair of Trustees**



**Mrs W Wakefield**  
**Accounting Officer**

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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

I confirm that no instances of material irregularity, 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.



**Mrs W Wakefield**  
**Accounting Officer**

Date: 5 December 2018

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2018 and signed on its behalf by:



**Mr S A Beals**  
**Chair of Trustees**



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' 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 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis of 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' report thereon. 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

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

**Use of our report**

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

*Magma Audit LLP*

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

**Magma Audit LLP**

Chartered Accountants

Unit 2  
Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicestershire  
LE7 4UZ

Date:

*06/12/18.*

## **LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

**(A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Loughborough Church of England Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 might 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 Loughborough Church of England Primary School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Loughborough Church of England Primary School's funding agreement with the Secretary of State for Education dated 1 February 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw 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 operation.

LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL  
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION & 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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Magna Aest. + Co.*

**Reporting Accountant**

Unit 2  
Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicestershire  
LE7 4UZ

Date: 06/12/18.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	9,329	9,329	(415,808)
Charitable activities	3	-	1,003,549	-	1,003,549	1,008,120
Other trading activities	4	44,170	-	-	44,170	41,395
<b>TOTAL INCOME</b>		<b>44,170</b>	<b>1,003,549</b>	<b>9,329</b>	<b>1,057,048</b>	<b>633,707</b>
<b>EXPENDITURE ON:</b>						
Raising funds		39,060	-	-	39,060	34,838
Charitable activities		-	1,024,602	52,500	1,077,102	1,010,790
<b>TOTAL EXPENDITURE</b>	5	<b>39,060</b>	<b>1,024,602</b>	<b>52,500</b>	<b>1,116,162</b>	<b>1,045,628</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between funds	15	5,110	(21,053)	(43,171)	(59,114)	(411,921)
		-	(26,342)	26,342	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		5,110	(47,395)	(16,829)	(59,114)	(411,921)
Actuarial gains on defined benefit pension schemes	19	-	111,000	-	111,000	102,000
<b>NET MOVEMENT IN FUNDS</b>		<b>5,110</b>	<b>63,605</b>	<b>(16,829)</b>	<b>51,886</b>	<b>(309,921)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		192,738	(324,648)	138,935	7,025	316,946
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>197,848</b>	<b>(261,043)</b>	<b>122,106</b>	<b>58,911</b>	<b>7,025</b>

The notes on pages 25 to 46 form part of these financial statements.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

(A company limited by guarantee)

REGISTERED NUMBER: 09023805

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	11		122,106		138,935
<b>CURRENT ASSETS</b>					
Stocks	12	1,396		2,830	
Debtors	13	34,469		38,849	
Cash at bank and in hand		461,813		471,141	
		<u>497,678</u>		<u>512,820</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(54,873)		(92,730)	
<b>NET CURRENT ASSETS</b>			442,805		420,090
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>564,911</u>		<u>559,025</u>
Defined benefit pension scheme liability	19		(506,000)		(552,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>58,911</u>		<u>7,025</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted income fund	15	244,957		227,352	
Fixed asset fund	15	122,106		138,935	
Restricted funds excluding pension liability		<u>367,063</u>		<u>366,287</u>	
Pension reserve		(506,000)		(552,000)	
Total restricted funds			(138,937)		(185,713)
Unrestricted income funds	15		197,848		192,738
<b>TOTAL FUNDS</b>			<u>58,911</u>		<u>7,025</u>

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

*S Beals*

**Mr S A Beals**  
**Chair of Trustees**

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<b>17,014</b>	135,928
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(35,671)</b>	(49,832)
Capital grants from DfE and other capital income		<b>9,329</b>	46,062
<b>Net cash used in investing activities</b>		<b>(26,342)</b>	(3,770)
<b>Change in cash and cash equivalents in the year</b>		<b>(9,328)</b>	132,158
Cash and cash equivalents 1 September 2017		<b>471,141</b>	338,983
<b>Cash and cash equivalents 31 August 2018</b>	18	<b>461,813</b>	471,141

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Loughborough Church of England Primary School constitutes a public benefit entity as defined by FRS 102.

**1.2 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

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

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

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

Donated fixed assets are 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.

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants.



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	-	25% straight line
Furniture and fixtures- toilets	-	15% straight line
Computer equipment	-	33% straight line

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

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.8 STOCKS**

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

**1.9 CASH AT BANK AND IN HAND**

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

**1.10 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are 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.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.11 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 TAXATION**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.13 PENSIONS**

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

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.

**Defined benefit pension scheme**

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	-	-	-	5,344
Capital grants	-	-	9,329	9,329	42,798
Removal of land and buildings	-	-	-	-	(463,950)
	-	-	9,329	9,329	(415,808)
Total 2017	-	2,080	(417,888)	(415,808)	

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	880,312	880,312	888,304
Other DfE Group grants	-	119,776	119,776	116,113
	<u>-</u>	<u>1,000,088</u>	<u>1,000,088</u>	<u>1,004,417</u>
<b>Other government grants</b>				
Local Authority grants	-	2,961	2,961	3,703
	<u>-</u>	<u>2,961</u>	<u>2,961</u>	<u>3,703</u>
<b>Other funding</b>				
Other income	-	500	500	-
	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
	<u>-</u>	<u>1,003,549</u>	<u>1,003,549</u>	<u>1,008,120</u>
Total 2017	<u>-</u>	<u>1,008,120</u>	<u>1,008,120</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Consultancy income	34,715	-	34,715	35,082
Other income	9,455	-	9,455	6,313
	<u>44,170</u>	<u>-</u>	<u>44,170</u>	<u>41,395</u>
Total 2017	<u>41,395</u>	<u>-</u>	<u>41,395</u>	

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**5. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds:					
Direct costs	-	-	-	-	-
Support costs	36,111	-	2,949	39,060	34,838
Educational Operations:					
Direct costs	679,166	38,562	48,716	766,444	701,229
Support costs	162,069	60,117	88,472	310,658	309,560
	<u>841,235</u>	<u>98,679</u>	<u>140,137</u>	<u>1,116,162</u>	<u>1,045,627</u>
Total 2017	<u>784,550</u>	<u>87,189</u>	<u>173,888</u>	<u>1,045,627</u>	

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**6. CHARITABLE ACTIVITIES**

	Total funds 2018 £	Total funds 2017 £
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs - salaries	500,808	477,449
Teaching and educational support staff costs - NI	38,949	35,805
Teaching and educational support staff costs - pensions	139,409	124,464
LGPS pension interest cost (£34,000) less return on assets (£19,000)	15,000	12,000
Educational supplies	17,448	24,519
Staff development	5,637	318
Depreciation	39,375	25,706
Technology costs	9,818	968
	<u>766,444</u>	<u>701,229</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff cost - salaries	99,411	87,940
Support staff cost - NI	4,779	4,215
Support staff cost - pensions	21,768	19,118
Recruitment	863	719
Maintenance of premises and equipment	33,955	14,833
Cleaning	3,648	3,530
Rates	6,374	10,979
Insurance	20,700	13,594
Depreciation	13,125	11,168
Catering	40,025	38,797
Legal and professional fees	525	2,840
Other support costs	42,977	77,723
Technology costs	146	424
Energy costs	15,943	15,525
Governance	6,419	8,156
	<u>310,658</u>	<u>309,561</u>
	<u><u>1,077,102</u></u>	<u><u>1,010,790</u></u>

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- capitalised by the charity	52,500	36,874
Auditors' remuneration - audit	5,202	5,000
Auditors' remuneration - other services	676	2,100
Operating lease rentals	4,700	4,700
	<u><u>63,078</u></u>	<u><u>48,674</u></u>

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**8. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2016 £
Wages and salaries	628,061	591,440
Social security costs	46,134	42,411
Pension costs	167,040	149,124
	<hr/> 841,235	<hr/> 782,975
Agency staff costs	-	1,575
	<hr/> 841,235	<hr/> 784,550
	<hr/> <hr/>	<hr/> <hr/>

**b. Staff numbers**

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

	2018 No.	2017 No.
Management	1	1
Teachers	12	12
Administration and support	31	28
	<hr/> 44	<hr/> 41
	<hr/> <hr/>	<hr/> <hr/>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for this staff member amounted to £12,061 (2017: £11,849).

**d. 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 £272,869 (2017: £251,485). These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**9. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

**W Wakefield (Headteacher and Trustee)**

Remuneration £70,000 - £75,000 (2017: £70,000 - £75,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

**E Blackmore (Staff Trustee)**

Remuneration £40,000 - £45,000 (2017: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

**J Tripp (Staff Trustee)**

Remuneration £15,000 - £20,000 (2017: £5,000 - £10,000)

Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

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

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

**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 2018 was £178 (2017 - £270).

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**11. TANGIBLE FIXED ASSETS**

	Furniture and fixtures £	Plant and equipment £	Total £
<b>COST</b>			
At 1 September 2017	182,987	32,776	215,763
Additions	18,256	17,415	35,671
At 31 August 2018	<u>201,243</u>	<u>50,191</u>	<u>251,434</u>
<b>DEPRECIATION</b>			
At 1 September 2017	59,161	17,667	76,828
Charge for the year	40,734	11,766	52,500
At 31 August 2018	<u>99,895</u>	<u>29,433</u>	<u>129,328</u>
<b>NET BOOK VALUE</b>			
At 31 August 2018	<u>101,348</u>	<u>20,758</u>	<u>122,106</u>
At 31 August 2017	<u>123,826</u>	<u>15,109</u>	<u>138,935</u>

**12. STOCKS**

	2018 £	2017 £
Uniform and educational supplies stock	<u>1,396</u>	<u>2,830</u>

**13. DEBTORS**

	2018 £	2017 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	225	3,255
VAT recoverable	9,518	7,436
Prepayments and accrued income	24,726	28,158
	<u>34,469</u>	<u>38,849</u>

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

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

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Other taxation and social security	<b>11,668</b>	11,180
Other creditors	<b>14,555</b>	13,079
Accruals and deferred income	<b>28,650</b>	68,471
	<u><b>54,873</b></u>	<u>92,730</u>
	<u><b>54,873</b></u>	<u>92,730</u>
	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	<b>17,190</b>	18,725
Resources deferred during the year	<b>22,252</b>	17,190
Amounts released from previous years	<b>(17,190)</b>	(18,725)
	<u><b>22,252</b></u>	<u>17,190</u>
	<u><b>22,252</b></u>	<u>17,190</u>

The closing balance of deferred income relates to Universal Infant Free School Meals and income for educational visits and rates received in advance of the 2018/19 academic year.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**15. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	192,738	44,170	(39,060)	-	-	197,848
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	227,352	880,312	(845,791)	(26,342)	-	235,531
Pupil Premium	-	64,755	(64,755)	-	-	-
Other DfE Group grants	-	50,535	(45,595)	-	-	4,940
Other government grants	-	7,391	(2,961)	-	-	4,430
Other funding	-	556	(500)	-	-	56
Pension reserve	(552,000)	-	(65,000)	-	111,000	(506,000)
	<u>(324,648)</u>	<u>1,003,549</u>	<u>(1,024,602)</u>	<u>(26,342)</u>	<u>111,000</u>	<u>(261,043)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
DfE Group capital grants	57,322	6,329	(20,843)	-	-	42,808
Condition Improvement Fund	67,031	-	(21,368)	-	-	45,663
Capital expenditure from GAG	11,794	-	(7,492)	11,086	-	15,388
Other capital donation	2,788	3,000	(2,797)	15,256	-	18,247
	<u>138,935</u>	<u>9,329</u>	<u>(52,500)</u>	<u>26,342</u>	<u>-</u>	<u>122,106</u>
Total restricted funds	<u>(185,713)</u>	<u>1,012,878</u>	<u>(1,077,102)</u>	<u>-</u>	<u>111,000</u>	<u>(138,937)</u>
Total of funds	<u>7,025</u>	<u>1,057,048</u>	<u>(1,116,162)</u>	<u>-</u>	<u>111,000</u>	<u>58,911</u>

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

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close gaps between them and their peers. All funds have been spent in full within the year.

The DfE Group restricted funds consists of Universal Infant Free School Meals (UIFSM) and PE Sport Grant. The closing balance relates to PE Sport Grant funds not spent at the year end.

Other government grants consist of High Level Needs and Pupil Premium (Looked After Children) funding which have both been fully spent within the year.

Other funding consists of income from Warner Trust and School Football Association. The closing balance relates to unspent funds in relation to the School Football Association.

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

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

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The Condition Improvement Fund (CIF) relates to funding received in relation to both school security and fire risk works. The closing balance consists of the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent. The closing balance relates to the net book value of the assets concerned.

Other capital donations relate to an insurance contribution for flooring from Leicestershire County Council. The closing balance represents the net book value of the assets concerned.

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	186,181	41,395	(34,838)	-	-	192,738
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	141,837	888,304	(799,019)	(3,770)	-	227,352
Pupil Premium	-	76,240	(76,240)	-	-	-
Other DfE Group grants	-	39,873	(39,873)	-	-	-
Other government grants	-	3,703	(3,703)	-	-	-
Other funding	-	2,080	(2,080)	-	-	-
Pension reserve	(601,000)	-	(53,000)	-	102,000	(552,000)
	<u>(459,163)</u>	<u>1,010,200</u>	<u>(973,915)</u>	<u>(3,770)</u>	<u>102,000</u>	<u>(324,648)</u>

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

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

**RESTRICTED FIXED ASSET FUNDS**

DfE Group capital grants	64,811	42,798	(13,057)	3,770	-	98,322
Condition Improvement Fund	37,782	-	(11,751)	-	-	26,031
Capital expenditure from GAG	23,384	-	(11,590)	-	-	11,794
Transferred on conversion to an Academy	463,950	(463,950)	-	-	-	-
Other capital donations	-	3,264	(476)	-	-	2,788
	<u>589,927</u>	<u>(417,888)</u>	<u>(36,874)</u>	<u>3,770</u>	<u>-</u>	<u>138,935</u>
Total restricted funds	<u>130,764</u>	<u>592,312</u>	<u>(1,010,789)</u>	<u>-</u>	<u>102,000</u>	<u>(185,713)</u>
Total of funds	<u>316,945</u>	<u>633,707</u>	<u>(1,045,627)</u>	<u>-</u>	<u>102,000</u>	<u>7,025</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	122,106	122,106
Current assets	197,848	299,830	-	497,678
Current liabilities	-	(54,873)	-	(54,873)
Pension scheme liability	-	(506,000)	-	(506,000)
	<u>197,848</u>	<u>(261,043)</u>	<u>122,106</u>	<u>58,911</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	138,935	138,935
Current assets	192,738	320,082	-	512,820
Current liabilities	-	(92,730)	-	(92,730)
Pension scheme liability	-	(552,000)	-	(552,000)
	<u>192,738</u>	<u>(324,648)</u>	<u>138,935</u>	<u>7,025</u>

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(59,114)	(411,921)
<b>Adjustment for:</b>		
Depreciation charges	52,500	36,874
Removal of land and buildings	-	463,950
Decrease in stocks	1,434	233
Decrease in debtors	4,380	4,274
(Decrease)/increase in creditors	(37,857)	35,580
Capital grants from DfE and other capital income	(9,329)	(46,062)
Defined benefit pension scheme cost less contributions payable	50,000	41,000
Defined benefit pension scheme finance cost	15,000	12,000
<b>Net cash provided by operating activities</b>	<b>17,014</b>	<b>135,928</b>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	461,813	471,141
<b>Total</b>	<b>461,813</b>	<b>471,141</b>

**19. PENSION COMMITMENTS**

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

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

Contributions amounting to £13,890 were payable to the schemes at 31 August 2018 (2017 - 13,027) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS



**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**19. PENSION COMMITMENTS (continued)**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £58,888 (2017 - £56,002).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £71,000 (2017 - £66,000), of which employer's contributions totalled £57,000 (2017 - £52,000) and employees' contributions totalled £14,000 (2017 - £14,000). The agreed contribution rates for future years are 23.4 - 24.4% for employers and 5.5 - 12.5% for employees.

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

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Inflation assumption (CPI)	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**19. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>22.1</b>	22.1
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>23.8</b>	23.8
Females	<b>26.2</b>	26.2

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**19. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	515,000	499,000
Property	75,000	60,000
Bonds	224,000	149,000
Cash	17,000	37,000
Total market value of assets	<u>831,000</u>	<u>745,000</u>

The actual return on scheme assets was £36,000 (2017 - £118,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

**Asset model**

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2017 for the year to 31 August 2018, or date of joining the fund if later).

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**19. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Current service cost	(107,000)	(93,000)
Interest income	19,000	12,000
Interest cost	(34,000)	(24,000)
	<hr/>	<hr/>
Total	(122,000)	(105,000)
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	1,297,000	1,175,000
Current service cost	107,000	93,000
Interest cost	34,000	24,000
Employee contributions	14,000	14,000
Actuarial (gains)/losses	(94,000)	4,000
Benefits paid	(21,000)	(13,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,337,000	1,297,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening fair value of scheme assets	745,000	574,000
Interest income	19,000	12,000
Actuarial gains	17,000	106,000
Employer contributions	57,000	52,000
Employee contributions	14,000	14,000
Benefits paid	(21,000)	(13,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	831,000	745,000
	<hr/>	<hr/>

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2018:	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	12 %	157,000
0.5% increase in the Salary Increase Rate	2 %	25,000
0.5% increase in the Pension Increase Rate	10 %	129,000

**LOUGHBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**20. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	3,490	5,168
Between 1 and 5 years	475	3,965
Total	<u>3,965</u>	<u>11,568</u>

**21. MEMBERS' LIABILITY**

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

**22. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

**23. CONNECTED CHARITIES**

The Loughborough C.E. Primary School Parents & Friends Association charity raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the academy. The charity's net assets/reserves at 31 August 2018 were £3,579 (2017: £4,457). The charity's gross income for the year to 31 August 2018 was £4,837 (2017: £4,828) its expenditure was £5,715 (2017: £3,702) and its deficit was £878 (2017: surplus £1,126).