

Registration number: 09023805

Loughborough Church of England Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

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

Loughborough Church of England Primary School

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Loughborough Church of England Primary School

Reference and Administrative Details

Members	Mr G North (resigned 14 June 2019) Mr S A Beals Mr H Jones Mr S Adshead (appointed 14 June 2019) Diocese of Leicester Education Trust
Governors and Trustees (Directors)	Mr H Jones, Chair Ms G Bates, Vice Chair Mr S A Beals 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 (resigned 26 August 2019) Mrs J Tripp Mrs G Doyle Mr C Hardisty Ms E Mitchell Mr M O'Flynn Ms K Fletcher (appointed 14 June 2019) Ms J Stillwell, Headteacher and Accounting Officer (appointed 27 August 2019)
Company Secretary	Ms S Sweeting
Head Teacher	Ms J Stillwell
Senior Management Team	Ms J Stillwell, Headteacher (appointed 27 August 2019) Mrs N Ferey, Assistant Headteacher Mrs R Busby, Assistant Headteacher Mrs S Sweeting, School Business Manager Mrs Wakefield, Headteacher (resigned 26 August 2019)
Principal and Registered Office	William Street Loughborough Leicestershire LE11 3BY
Company Registration Number	09023805

Loughborough Church of England Primary School

Reference and Administrative Details (continued)

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

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

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

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

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

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Trustees

Newly appointed Governors are provided with a copy of the Governors' Handbook outlining their roles and responsibilities as Governor of the Academy Trust. 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 undertakes the role of Accounting Officer with the School Business Manager acting as the Academy's Financial Controller.

The Full Governing Body meets at least twice a term, alternating its focus between curriculum and resources. However, there is also an agenda for more general areas to allow for all matters to be discussed in a timely manner. Within our curriculum focus, we are looking at pupil progress, use of Pupil & Sports Premiums, curriculum/subject updates, etc. enabling the Governing Body to monitor closely pupil progress and outcomes throughout the year.

In addition, the Health & Safety committee and the Ethos committee meet termly to carry out their focussed activities. The Health & Safety committee review all premises matters to ensure that the building meets all current requirements as well as reviewing ongoing works required under general maintenance. The committee had external professional support from YMD Boon during this financial year. Day to day health and safety and premises issues are addressed in house given additional internal staff experience, overseen by the School Business Manager.

Our Ethos Committee is instrumental in ensuring continued focus and development of our Christian ethos as a church school.

Decisions taken by the Full Governing Body 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 school's funding agreement."

Arrangements for setting pay and remuneration of key management personnel

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

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

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 former Headteacher, Mrs Wakefield, was an Inspector for the Statutory Inspection of Anglican and Methodist Schools (SIAMS), which engendered natural links with other church schools to develop partnerships. Our new Headteacher will be seeking to develop other relationships where a number of Diocesan schools have new leadership, where experiences and developments can be shared.

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

Objectives and activities

Objects and aims

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

Objectives, strategies and activities

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

- To improve the percentage of pupils working at the greater depth standard in writing at the end of Key Stage 1 and Key Stage 2.
- To refine and develop the curriculum in line with the new Ofsted framework expectations.
- To continue to develop a safe, calm, orderly and positive environment in the school and the impact this has on the behaviour and attitudes of pupils.
- To provide an exceptional spiritual, moral, social and cultural education so that the personal development of all pupils is a high priority for the school and so that all pupils thrive and reach their full potential.
- To review and refine systems and policies to assure the accountability of all staff and ensure that all pupils make at least expected progress in all subjects.
- To continue to strengthen the extent to which leaders and staff plan, design and implement the Early Years curriculum.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Public benefit

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

A. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and

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

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

2018/19 RESULTS OVERVIEW

EYFS Good Level of Development		
SCHOOL	LA	NATIONAL
80%	72.1%	71.8%

Yr 1 Phonics		
SCHOOL	LA	NATIONAL
80%	83.4%	81.9%

KS 1	SCHOOL		LA		NATIONAL	
	Working At or Above	Greater Depth	Working At or Above	Greater Depth	Working At or Above	Greater Depth
READING	83.3%	23.3%	75.6%	25.2%	74.9%	25.0%
WRITING	80.0%	3.3%%	69.6%	13.6%	69.2%	14.8%
MATHS	80.0%	26.7%	76.3%	21.9%	75.6%	21.7%
SCIENCE	86.7%	-	83.6%	-	82.3%	-
RWM	80.0%	3.3%	65.3%	10.4%	64.9%	11.2%

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

KS 2	SCHOOL		LA		NATIONAL	
	Working At or Above	High Attainers	Working At or Above	High Attainers	Working At or Above	High Attainers
READING	89.3%	35.7%	74.7%	28.1%	73.2%	26.9%
WRITING	85.7%	10.7%	81.3%	21.8%	78.5%	20.2%
MATHS	89.3%	25.0%	80.7%	28.8%	78.7%	26.6%
GPS	92.9%	42.9%	80.2%	36.5%	78.0%	35.7%
SCIENCE	89.3%	-	86.1%	-	82.9%	-
R/W/M	75.0%	10.7%	66.8%	11.6%	64.8%	10.5%

Results remained well ahead of the LA and national in KS2 at working at or above expected levels and have advanced further on last years results, with the exception of reading which fell slightly. The work undertaken within school this year has seen a significant improvement in KS1 results. EYFS has further advanced and remains well ahead of the LA and national.

These results are more pleasing as the school has had a much steeper increase in recent years with children who have English as an additional language. This has meant the school has had to adapt teaching methods to ensure pupils achieve the best outcomes they can. We appreciate the efforts of all the staff who help grow all our children, whatever their backgrounds and abilities.

Going concern

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

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Financial review

The Academy had a net decrease in funds for the year ended 31 August 2019 of £343,460 including fixed assets movements. As at 31 August 2019 the Academy held £259,957 of unrestricted reserves plus £141,643 of unspent (non fixed asset) restricted funds. The Academy therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £401,600.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £787,000 at 31 August 2019 and a fixed asset reserve of £100,851 being the book value of past purchases.

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

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

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

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Reserves policy

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 5 6% of the annual budget, being £65,000.

Actual free reserves plus unspent GAG as at 31 August 2019 were £401,600, being higher than the target level set by the Trustees by £336,600. The historic reserves figure was set to cover monthly overheads and ensure the academy trust had sufficient funds to cover ongoing payments. The current reserves figure is higher than this as the academy had surplus funds upon conversion and since then have prudently managed the schools resources to ensure value for money was achieved as well as ensuring the school operated effectively. The academy has also received external funding for capital items which meant the academy did not have to use resources previously identified for those purposes. As the trust moves ahead, the reserves will diminish as the academy invests in additional ICT equipment to keep the school up to date technologically, refurbishment projects within the school as well as longer term replacement of the external classrooms. In addition, over the next 4 years the academy expect to see costs grow faster than income streams, which will see the current surplus eroded. The academy trust will continue to monitor this position closely throughout the 2019/20 academic year.

Cash at bank at 31 August 2019 was £19,771 higher than total available reserves due principally to accruals timing differences.

At 31 August 2019 the Academy's fixed asset reserve of £100,851 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 £787,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

Investment policy

The Academy aims, and has a responsibility to, manage its cash balances to provide day to day working capital requirements of its operations, whilst ensuring a suitable return. Optimising returns, whilst ensuring that any investments made are low risk, continues to prove challenging in a low interest rate environment which has now continued for a number of years. 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.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Principal risks and uncertainties

The Governing Body continues to review the risk register, with its focus on the key risk areas. We aim to review all areas over an annual basis looking to ensure that the RAG rating for each aspect is appropriate. We are also seeking to see any area where the risk is considered to be increasing to try and remedy this situation at the earliest opportunity.

The Academy has undertaken a great amount of work on General Data Protection Regulation (GDPR) following its introduction in May 2018. Compliant processes and procedures are in place but further work has continued this year to embed the new regulations. We retain the services of a consultant to work with the Senior Leadership Team to ensure ongoing compliance.

During this year, our former Headteacher decided to take early retirement, leaving the school at the end of this financial year. This was considered an immediate risk area at our last AGM. The Governing Body appointed a recruitment panel who worked hard to ensure that all stakeholders views of the school and new appointment were included in our thorough recruitment process. This was successful and the Governing Body looks forward to working with Mrs Stillwell as she leads the school moving forward. We would also like to express our thanks to Mrs Wakefield for her service to the school and her tireless efforts to develop a strong ethos in the school as well as managing the finances in a prudent manner. We wish her well in her retirement.

We continue to monitor the in-year deficit. Decisions made are considered on the basis of sustainability in order that the deficit can be reduced/eradicated over the coming few years.

We retain the services of Leicestershire County Council for internal audit services. We are pleased that no major findings have been identified during their review. In addition, our previous external audit conclusions have also not shown any major areas of concern. We benefit from a highly experienced School Business Manager who ensures the Governing Body is fully appraised of our ongoing financial position. In addition, monthly financial reports are prepared and shared with the Headteacher and Chair of Governors. Some decisions have already been made to reduce the ongoing in-year deficit.

Fundraising

The School has an active Parents & Friends Association (PFA) which raises funds for use within the school. The PFA has this year funded a LCEPS flag/Banner for use at the Town Sports event, provided prizes for the Easter Bonnet Parade, contributed towards the cost of a trip for the whole school to Twycross Zoo and paid for stage lighting for the school hall. The PFA contributed a total of £3,389.72 to the school during this year. We would like to thank all of the committee for their efforts in order to provide additional opportunities and experiences for our children.

The school does not work with any commercial or professional fundraisers.

Plans for future periods

The Academy intends to fully undertake the areas for development identified within its strategic plans including the School Development Plan.

Loughborough Church of England Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Funds held as Custodian Trustee on behalf of others

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

Auditor

Insofar as the Trustees are aware:

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

Reappointment of auditor

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 27 November 2019 and signed on its behalf by:

.....

Mr H Jones, Chair
Governor and trustee

Loughborough Church of England Primary School

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Ms J Stillwell, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Loughborough Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Ms G Bates, Vice Chair	4	6
Mr S A Beals	5	6
Mrs E Blackmore	6	6
Rev M Broadley, Ex Officio	4	6
Mr A Duxbury	4	6
Rev W Dalrymple, Ex Officio	0	6
Mrs G Doyle	5	6
Mr C Hardisty	6	6
Mr H Jones, Chair	5	6
Ms E Mitchell	5	6
Mr M O'Flynn	5	6
Mrs J Tripp	6	6
Mrs W Wakefield, Headteacher	6	6
Ms K Fletcher	1	1

Loughborough Church of England Primary School

Governance Statement (continued)

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.

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.

Loughborough Church of England Primary School

Governance Statement (continued)

Review of Value for Money

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

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

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

There are four principles of best value:

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

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

Staffing:

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

Use of premises:

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

Use of Resources:

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

Teaching:

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

Loughborough Church of England Primary School

Governance Statement (continued)

Learning:

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

Purchasing:

Procedures are in place for assessing need and obtaining goods and services that provide best value in terms of suitability, efficiency, time and cost. Measures already in place includes competitive tendering procedures for goods and services, accepting best value quotes and purchasing certain goods or services from known, reliable suppliers. The Academy uses external brokers in order to gain the best price point for some services and energy costs. For building and maintenance needs, the school worked 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 2018-19.

Monitoring:

These areas will be monitored for best value by:

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

School Position:

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

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

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

Loughborough Church of England Primary School

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Loughborough Church of England Primary School for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

- to appoint Leicestershire County Council as internal auditor

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

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

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

The last internal audit visit was in December 2018. Various recommendations were made with respect to the Academy's controls and procedures. The Academy has addressed the points raised.

Review of effectiveness

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

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

Loughborough Church of England Primary School

Governance Statement (continued)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 27 November 2019 and signed on its behalf by:

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

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

Loughborough Church of England Primary School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Loughborough Church of England Primary School I have considered my responsibility to notify the academy trust Board of Trustees and the Education & 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 2018.

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 2018.

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

.....
Ms J Stillwell
Accounting officer

27 November 2019

Loughborough Church of England Primary School

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board on 27 November 2019 and signed on its behalf by:

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

Loughborough Church of England Primary School

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

Opinion

We have audited the financial statements of Loughborough Church of England Primary School (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

We have nothing to report in this regard.

Loughborough Church of England Primary School

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Loughborough Church of England Primary School

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

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

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

Use of our report

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

.....
Richard Buckby FCA

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

9 December 2019

Loughborough Church of England Primary School

Independent Reporting Accountant's 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 19 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Loughborough Church of England Primary School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the Academy Trust's framework of authorities. As identified by the review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the Academy Trust are within the Academy Trust's framework of authorities.

Loughborough Church of England Primary School

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

- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the Academy Trust and extended the procedures required for financial statements to include regularity.

We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.

Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

.....
Richard Buckby FCA

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

9 December 2019

Loughborough Church of England Primary School

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	-	-	29,106	29,106
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,000,178	-	1,000,178
Other trading activities	4	62,109	-	-	62,109
Total		62,109	1,000,178	29,106	1,091,393
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,180,320	51,533	1,231,853
Net income/(expenditure)		62,109	(180,142)	(22,427)	(140,460)
Transfers between funds		-	(1,172)	1,172	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	(203,000)	-	(203,000)
Net movement in funds/(deficit)		62,109	(384,314)	(21,255)	(343,460)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		197,848	(261,043)	122,106	58,911
Total funds/(deficit) carried forward at 31 August 2019		259,957	(645,357)	100,851	(284,549)

Loughborough Church of England Primary School

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	-	-	9,329	9,329
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,003,549	-	1,003,549
Other trading activities	4	44,170	-	-	44,170
Total		44,170	1,003,549	9,329	1,057,048
Expenditure on:					
Raising funds	5	39,060	-	-	39,060
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,024,602	52,500	1,077,102
Total		39,060	1,024,602	52,500	1,116,162
Net income/(expenditure)		5,110	(21,053)	(43,171)	(59,114)
Transfers between funds		-	(26,342)	26,342	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	-	111,000	-	111,000
Net movement in funds/(deficit)		5,110	63,605	(16,829)	51,886
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		192,738	(324,648)	138,935	7,025
Total funds/(deficit) carried forward at 31 August 2018		197,848	(261,043)	122,106	58,911

Loughborough Church of England Primary School

(Registration number: 09023805)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	<u>100,851</u>	<u>122,106</u>
Current assets			
Stocks	11	480	1,396
Debtors	12	42,956	34,469
Cash at bank and in hand		<u>421,371</u>	<u>461,813</u>
		464,807	497,678
Creditors: Amounts falling due within one year	13	<u>(63,207)</u>	<u>(54,873)</u>
Net current assets		<u>401,600</u>	<u>442,805</u>
Total assets less current liabilities		<u>502,451</u>	<u>564,911</u>
Net assets excluding pension liability		502,451	564,911
Pension scheme liability	21	<u>(787,000)</u>	<u>(506,000)</u>
Net (liabilities)/assets including pension liability		<u><u>(284,549)</u></u>	<u><u>58,911</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		141,643	244,957
Restricted fixed asset fund		100,851	122,106
Restricted pension fund		<u>(787,000)</u>	<u>(506,000)</u>
		(544,506)	(138,937)
Unrestricted funds			
Unrestricted general fund		<u>259,957</u>	<u>197,848</u>
Total funds		<u><u>(284,549)</u></u>	<u><u>58,911</u></u>

The financial statements on pages 26 to 47 were approved by the Trustees, and authorised for issue on 27 November 2019 and signed on their behalf by:

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

Loughborough Church of England Primary School

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(39,269)	17,014
Cash flows from investing activities	18	<u>(1,173)</u>	<u>(26,342)</u>
Change in cash and cash equivalents in the year		(40,442)	(9,328)
Cash and cash equivalents at 1 September		<u>461,813</u>	<u>471,141</u>
Cash and cash equivalents at 31 August	19	<u><u>421,371</u></u>	<u><u>461,813</u></u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

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

Going concern

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

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

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

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Stock

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

Taxation

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

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

Pension benefits

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	<u>29,106</u>	<u>29,106</u>	<u>9,329</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	872,901	872,901	880,312
Other government grants			
Local authority grants	50	50	2,961
Other Dfe Group Grants	122,570	122,570	119,776
	<u>122,620</u>	<u>122,620</u>	<u>122,737</u>
Non-government grants and other income			
Other income	4,657	4,657	500
Total grants	<u>1,000,178</u>	<u>1,000,178</u>	<u>1,003,549</u>

4 Other trading activities

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Consultancy income	-	-	34,715
Other income	27,377	27,377	9,455
Catering income	11,795	11,795	-
Recharges and reimbursements	18,604	18,604	-
Other income	4,333	4,333	-
	<u>62,109</u>	<u>62,109</u>	<u>44,170</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Expenditure

	Non Pay Expenditure			2018/19	2017/18
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Expenditure on raising funds					
Direct costs	-	-	-	-	36,111
Allocated support costs	-	-	-	-	2,949
Academy's educational operations					
Direct costs	691,763	51,533	25,745	769,041	701,444
Allocated support costs	211,700	104,976	146,136	462,812	375,658
	<u>903,463</u>	<u>156,509</u>	<u>171,881</u>	<u>1,231,853</u>	<u>1,116,162</u>

6 Charitable activities

	2018/19	2017/18
	£	£
Direct costs - educational operations	769,041	701,444
Support costs - educational operations	<u>462,812</u>	<u>375,658</u>
	<u>1,231,853</u>	<u>1,077,102</u>

	Educational operations	2018/19	2017/18
	£	Total	Total
		£	£
Analysis of support costs			
Support staff costs	211,700	211,700	175,958
Depreciation	-	-	13,125
Premises costs	104,976	104,976	104,627
Other support costs	140,393	140,393	75,529
Governance costs	5,743	5,743	6,419
Total support costs	<u>462,812</u>	<u>462,812</u>	<u>375,658</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Staff

Staff costs

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	663,951	628,061
Social security costs	52,707	46,134
Operating costs of defined benefit pension schemes	186,805	167,040
	<u>903,463</u>	<u>841,235</u>

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	10	12
Administration and support	25	31
Management	3	1
	<u>38</u>	<u>44</u>

Higher paid staff

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

	2019 No	2018 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 pension contributions for this staff member amounted to £12,834 (2018 - £12,061).

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 £171,513 (2018: £272,869).

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Related party transactions - trustees' remuneration and expenses

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

Mrs W Wakefield, Headteacher (Staff Trustee):

Remuneration: £75,000 - £80,000 (2018 - £70,000 - £75,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

Mrs E Blackmore (Staff Trustee):

Remuneration: £40,000 - £45,000 (2018 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

Mrs J Tripp (Staff Trustee):

Remuneration: £15,000 - £20,000 (2018 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 22.

9 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 2019 was £175 (2018 - £178).

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

10 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 September 2018	201,243	50,191	251,434
Additions	<u>21,924</u>	<u>8,355</u>	<u>30,279</u>
At 31 August 2019	<u>223,167</u>	<u>58,546</u>	<u>281,713</u>
Depreciation			
At 1 September 2018	99,895	29,433	129,328
Charge for the year	<u>38,459</u>	<u>13,075</u>	<u>51,534</u>
At 31 August 2019	<u>138,354</u>	<u>42,508</u>	<u>180,862</u>
Net book value			
At 31 August 2019	<u>84,813</u>	<u>16,038</u>	<u>100,851</u>
At 31 August 2018	<u>101,348</u>	<u>20,758</u>	<u>122,106</u>

11 Stock

	2019 £	2018 £
Uniform and educational supplies stock	<u>480</u>	<u>1,396</u>

12 Debtors

	2019 £	2018 £
Trade debtors	2,971	225
VAT recoverable	9,368	9,518
Prepayments	<u>30,617</u>	<u>24,726</u>
	<u>42,956</u>	<u>34,469</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,391	-
Other taxation and social security	12,241	11,668
Other creditors	15,028	14,555
Accruals	13,195	6,398
Deferred income	20,352	22,252
	<u>63,207</u>	<u>54,873</u>
	2019 £	2018 £

Deferred income

Deferred income at 1 September 2018	22,252	17,190
Resources deferred in the period	20,352	22,252
Amounts released from previous periods	<u>(22,252)</u>	<u>(17,190)</u>
Deferred income at 31 August 2019	<u>20,352</u>	<u>22,252</u>

The closing balance of deferred income includes £16,952 (2018 - £19,119) relating to Universal Infant School Meals funding received in advance of the 2019/20 academic year.

14 Funds

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	227,352	1,003,549	(959,602)	(26,342)	244,957
Restricted fixed asset funds					
Tangible fixed assets	138,935	9,329	(52,500)	26,342	122,106
Restricted pension funds					
Pension reserve	<u>(552,000)</u>	<u>-</u>	<u>(65,000)</u>	<u>111,000</u>	<u>(506,000)</u>
Total restricted funds	(185,713)	1,012,878	(1,077,102)	111,000	(138,937)
Unrestricted funds					
Unrestricted general funds	<u>192,738</u>	<u>44,170</u>	<u>(39,060)</u>	<u>-</u>	<u>197,848</u>
Total funds	<u>7,025</u>	<u>1,057,048</u>	<u>(1,116,162)</u>	<u>111,000</u>	<u>58,911</u>

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

Restricted general funds

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

Restricted fixed asset funds

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

Unrestricted funds

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

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

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	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)
Total net assets	<u>197,848</u>	<u>(261,043)</u>	<u>122,106</u>	<u>58,911</u>

16 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	1,527	3,490
Amounts due between one and five years	<u>2,148</u>	<u>475</u>
	<u>3,675</u>	<u>3,965</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

	2018/19 £	2017/18 £
Net expenditure	(140,460)	(59,114)
Depreciation	51,534	52,500
Capital grants from DfE and other capital income	(29,106)	(9,329)
Defined benefit pension scheme obligation inherited	63,000	50,000
Defined benefit pension scheme cost less contributions payable	(24,000)	(19,000)
Defined benefit pension scheme finance cost	39,000	34,000
Decrease in stocks	916	1,434
(Increase)/decrease in debtors	(8,487)	4,380
Increase/(decrease) in creditors	8,334	(37,857)
Net cash (used in)/provided by Operating Activities	<u>(39,269)</u>	<u>17,014</u>

18 Cash flows from investing activities

	2018/19 £	2017/18 £
Purchase of tangible fixed assets	(30,279)	(35,671)
Capital funding received from sponsors and others	29,106	9,329
Net cash used in investing activities	<u>(1,173)</u>	<u>(26,342)</u>

19 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	421,371	461,813
Total cash and cash equivalents	<u>421,371</u>	<u>461,813</u>

20 Members' liability

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

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £62,905 (2018: £58,888).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £75,820 (2018 - £71,000), of which employer's contributions totalled £61,158 (2018 - £57,000) and employees' contributions totalled £14,662 (2018 - £14,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.30	3.40
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
Inflation assumptions (CPI)	2.30	2.40
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2019	2018
Retiring today		
Males retiring today	21.20	22.10
Females retiring today	23.40	24.30
Retiring in 20 years		
Males retiring in 20 years	22.20	23.80
Females retiring in 20 years	<u>24.70</u>	<u>26.20</u>

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

	2019 £	2018 £
Equities	546,000	515,000
Government bonds	292,000	224,000
Property	75,000	75,000
Cash and other liquid assets	<u>28,000</u>	<u>17,000</u>
Total market value of assets	<u>941,000</u>	<u>831,000</u>

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

The actual return on scheme assets was £56,000 (2018 - £36,000).

Amounts recognised in the statement of financial activities

	2018/19 £	2017/18 £
Current service cost	100,000	107,000
Past service cost	24,000	-
Interest income	(24,000)	(19,000)
Interest cost	39,000	34,000
Total amount recognized in the SOFA	<u>139,000</u>	<u>122,000</u>

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

	2018/19 £	2017/18 £
At start of period	1,337,000	1,297,000
Current service cost	100,000	107,000
Interest cost	39,000	34,000
Employee contributions	15,000	14,000
Actuarial (gain)/loss	235,000	(94,000)
Benefits paid	(22,000)	(21,000)
Past service cost	24,000	-
At 31 August	<u>1,728,000</u>	<u>1,337,000</u>

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

	2018/19 £	2017/18 £
At start of period	831,000	745,000
Interest income	24,000	19,000
Actuarial gain/(loss)	32,000	17,000
Employer contributions	61,000	57,000
Employee contributions	15,000	14,000
Benefits paid	(22,000)	(21,000)
At 31 August	<u>941,000</u>	<u>831,000</u>

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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Loughborough Church of England Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Related party transactions (continued)

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 8.