
LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

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LARK RISE ACADEMY TRUST, DUNSTABLE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

Mrs Patricia Wilson
Mr Graham Pryor
Mrs Joanne Patis

Governors

Mrs Patricia Wilson, Chairman¹
Mr Graham Pryor¹
Mrs Charlotte Mansfield, Co-opted
Mr Marcus Ray, Staff Governor¹
Miss Amanda Hazell, Staff Governor
Councillor David McVicar, Local Authority
Mrs Rebecca Baker, Head Teacher and Accounting Officer¹
Mrs Joanne Patis
Mrs Linda Berry, Staff Governor
Mr Graham Page, Staff Governor¹
Mr Paul Keen, Co-opted
Mr David Woodward, Co-opted (resigned 18 December 2015)
Mr Simon Bidgood, Co-opted
Mrs Lindsey Johnson, Co-opted (appointed 21 January 2016)
Mr Derek Smulders, Co-opted (appointed 21 January 2016)

¹ Finance Committee

Company registered number

07359630

Company name

Lark Rise Academy Trust, Dunstable

Principal and registered office

Lark Rise Academy
Cartmel Drive
Dunstable
Bedfordshire
LU6 3PT

Company secretary

Mrs Alison Gransby

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Senior management team

Mrs Rebecca Baker
Mr Marcus Ray
Miss Romina Pagano
Mrs Hannah Hartley
Mrs Amanda Hazell
Mrs Lorna Francis
Mrs Katie Waterman

Independent auditors

Streets Audit LLP
Chartered Accountants
Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

Bankers

Natwest Bank plc
4 High Street North
Dunstable
Bedfordshire
LU6 1JU

Solicitors

Ward Hadaway
1A Tower Square
Wellington Street
Leeds
LS1 4DL

LARK RISE ACADEMY TRUST, DUNSTABLE
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016.

Lark Rise Academy Trust, Dunstable (the 'Academy') was formed on 27 August 2010. The Academy took over the management of Lark Rise Lower School on 1 October 2010. The annual report serves the purpose of both a governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 in South West Dunstable, Central Bedfordshire. It has a pupil capacity of 380 and had a roll of 379 in the school census on 9 June 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Governors act as trustees for the charitable activities of the Lark Rise Academy Trust, Dunstable. Trust board members are the directors of the charitable company for the purpose of company law. The Charitable Company is known as Lark Rise Academy. The charitable company is known as Lark Rise Academy.

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

b. MEMBERS' LIABILITY

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

c. GOVERNORS' INDEMNITIES

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Trust Board Members, who are the directors of the Charitable Company for the purpose of company law, are nominated by either the Secretary of State for Education, the Chairman of the Governors, or by all the existing members. The articles of association require the trust board members to appoint a minimum of 3 and a maximum of 8 governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The articles of association contain provisions for the appointment of additional governors including staff governors, a local authority governor and parent governors. There is no maximum number of governors.

Governors are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term.

The Governing Body currently comprises 3 trust board members (who are appointed as directors under the Companies Act 2006), 4 co-opted governors whose appointments are determined by the trust board members), the Headteacher and 4 staff governors (all employed by the trust), a local authority governor and 2 parent governors (elected by the parents).

The Head teacher is an ex-officio governor.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New Governors receive induction training and support from the Clerk to the Governing Body. All Governors are offered training opportunities through the Central Bedfordshire Governor Training Programme.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

f. ORGANISATIONAL STRUCTURE

The governing body roles and responsibilities were reviewed in September 2014.

The governors are organised into a number of committees who form policy about key areas. The bodies comprise Health and Safety, Finance, Pay and Staffing, Teaching and Learning, Complaints and Discipline and Independent Appeals.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure, pay and remuneration and senior staff appointments. During the year under review the Governors held 3 full Governing Body meetings.

Regular emails have been sent to the Governing Body keeping them informed of significant events. All Governors are attached to a curriculum subject and some have visited the school during the day activities. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their governing body duties.

The Responsible Officer has monitored the changes to processes and makes regular reports to the governing body. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the Academy Finance manual.

The day to day management of the academy is delegated by the Governing Body to the Headteacher who is the Accounting Officer. The Headteacher is supported by the Deputy Headteacher and the Finance Officer.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no related parties which either control or significantly influence the decisions and operations of Lark Rise Academy. There are no sponsors.

The Academy continues to work closely with the Parents' Association (FALLS – Friends of Lark Rise Lower School) to further the principal activities of the academy.

The Academy works with many school networks, both locally, nationally and internationally to further the principal activities of the academy.

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Lark Rise Academy.

In accordance with the articles of association the Charitable Company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the year ended 31 August 2016 were detailed in the Academy's vision statement:



Lark Rise Academy
Vision Statement
2015-2016

At Lark Rise Academy, we are passionate about learning and the education of our children and we therefore strive for continuous growth and improvement in order to make these the best they can be. We will work in a way that places the children at the heart of all the decisions that we make and the actions that we take, with the intention of making the children's time in school inspiring, exciting and purposeful. In turn, we believe that this will enable every child to understand the importance of learning and instil in them a love for learning that is life-long.

We believe that in order for all of our children to reach their full potential we must maintain our high expectations with regards to their academic development from their time in the Early Years through to the end of Year Six and beyond, as well as the social, emotional, physical and behavioural aspects of their growth; we will strive to ensure that there is fair and equal opportunity for all, regardless of ages and stages of development. We wish to offer an outstanding and innovative primary provision that positively challenges and supports all children to the end of Year 6, instilling the skills and enthusiasm needed for further success in their secondary education. We will achieve this through a fully inclusive creative curriculum, which will incorporate the new National Curriculum; this will present the children with learning experiences which will meet their individual needs whilst motivating them, promoting independence, filling them with confidence and enabling them to flourish. We want our school

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

to be a place where individuality, personal achievements and strengths are identified and celebrated; a place where children feel happy, safe, included and able to learn.

To support the wishes detailed above, we want to offer the children an ever-improving and modernised learning environment that makes it possible to offer a current and ever-evolving curriculum; including even more of a focus on computing and the safe use of our new technology. We aim to provide physical surroundings that feel welcoming and enhance the children's learning. This will be helped further by continuing to support children to make positive relationships with a wide range of adults and their peers; a place where all parties feel respected, cared for and listened to...our school will be a place where the voice of all is heard!

At the same time as wanting every one of our children to be successful learners, we also wish for them to be both successful and active members of the community (locally and in the wider world) now and in the future. Therefore, we will continue to work hard in order to help children understand the importance of community spirit, of diversity, of the importance of being tolerant of others and of belonging; ultimately helping them to understand British Values in order that they make the right choices in life and are positive citizens. We aim to model effective citizenship by working closely with a range of partners, including the children's parents and carers, colleagues from other schools and those in the local and global communities; learning from them in order to achieve ever improving outcomes for children. Our environment will encourage all adults to continue as learners; they will be given the opportunity to develop their skills and expertise working with colleagues and peers from across the community - thus, improving outcomes for all of our children. We will warmly welcome all stake holders into our school and we will be committed to forging positive relationships with them. We will also consider the contributions that Lark Rise can make to the community and the world and give children the opportunity to make a difference...they are, after all, the future!

To achieve all of this is to provide an outstanding education for every child; this is the basis of our vision.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's mission is to raise the achievement of all who work in the school through systematic planning, reviewing and developing in order to gain optimum attainment in life skills. To this end the activities provided include:

- Well planned learning opportunities for all pupils to attain appropriate academic levels in Early Years Foundation Stage and Key Stage 1 statutory assessments and end of Year 4 midpoint Key Stage 2
- Professional development opportunities for staff
- Performance management for staff where objectives are set and reviewed
- Pupil involvement in leadership decisions through the use of POWWOW
- A broad and balanced creative curriculum provided for all pupils
- Opportunities for extended learning clubs (3.20 – 4.30pm) to allow pupils to explore practical areas
- Before school (breakfast club 8.00 – 8.45am) and after school childcare (4.30- 6.00pm) which is purchased by the parents/carers
- A fully inclusive education available to all

c. PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

a. ACHIEVEMENTS AND PERFORMANCE

The Academy is in its sixth year of operation and continues to achieve the forecast numbers of pupils. Total students in the year ended 31 August 2016 numbered 379 (including nursery) and the Academy is virtually full in all year groups. The Academy has a standard number of 45 per year group and is almost full. The local authority maintains a waiting list for available places where appropriate.

The staff and governors at the Academy continue to be proud of the achievements of the children at Lark Rise Academy. Data, when compared to national figures, is significantly higher.

The Academy ensures the accuracy of its teacher assessment through moderation exercises. The Academy uses exemplar examples of levels and national and local benchmarking.

b. KEY FINANCIAL PERFORMANCE INDICATORS

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

In its last inspection in December 2013, Ofsted assessed Lark Rise Academy as 'outstanding' in all areas.

The Academy is also monitored through the completion and submission to the EFA of:

- The budget forecast for the year ahead;
- The Accounts Annual Return produced from the annual financial statements.

c. GOING CONCERN

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

FINANCIAL REVIEW

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy's financial objectives are to:

- Generate extra income through consultancy work
- Apply at all times best value principles in all purchases
- Monitor and evaluate the value for money of all staff
- Prevent all areas of wastage

These objectives were achieved in the year ended 31 August 2016.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REPORT FOR THE PERIOD

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total income (excluding capital funding) was £1,647,974 and expenditure was £1,569,298. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £78,676.

At 31 August 2016 the net book value of fixed assets was £1,840,803 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to pupils.

FINANCIAL POSITION

The Academy held fund balances at 31 August 2016 of £1,478,716. This comprised restricted fixed asset funds of £1,840,803, £108,729 of restricted funds less a pension reserve deficit of £632,000 and £161,184 of unrestricted general funds.

b. RESERVES POLICY

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The governors have determined that the appropriate level of free reserves should be equivalent to 8 weeks expenditure, approximately £155,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves is £161,184.

c. INVESTMENTS POLICY

The academy holds surplus cash balances on short fixed term deposits with NatWest Bank plc.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities and of teaching and the finances. This includes adequate insurance cover, including staff absence provision.

The Academy has undertaken work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

The Governors undertake a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Governors will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by the Finance Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government funding

The Academy has considerable reliance on continued government funding through the EFA. In 2015/16, 82% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- Ensuring the Academy is rigorous in delivering high quality education and training
- Placing considerable focus and investment on maintaining and managing key relationships with the EFA

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard (FRS) 17. This deficit relates to non-teaching staff who are members of the Bedfordshire Pension Fund. At 31 August 2016 the deficit amounted to £632,000.

The pension scheme liability is an on-going liability which is not expected to crystallise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees. During the year the Academy made contributions to the scheme of £51,000. The contributions are determined by the scheme's actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

The Academy intends to action fully the areas of development as detailed on the Academy Improvement Plan 2016/2017.

FUNDS HELD AS CUSTODIAN

There are no funds held as Custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the governors are aware:

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

AUDITORS

The auditors, Streets Audit LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by order of the board of governors as the company directors, on _____ and signed on its behalf by:


.....
Mrs Patricia Wilson
Chair of Governors

LARK RISE ACADEMY TRUST, DUNSTABLE
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Mrs Patrica Wilson, Chairman	2	3
Mr Graham Pryor	3	3
Mrs Charlotte Mansfield, Co-opted	2	3
Mr Marcus Ray, Staff Governor	3	3
Miss Amanda Hazell, Staff Governor	3	3
Councillor David McVicar, Local Authority	0	3
Mrs Rebecca Baker, Head Teacher and Accounting Officer	3	3
Mrs Joanne Patis	3	3
Mrs Linda Berry, Staff Governor	3	3
Mr Graham Page, Staff Governor	3	3
Mr Paul Keen, Co-opted	2	3
Mr David Woodward, Co-opted	0	1
Mr Simon Bidgood, Co-opted	2	3
Mrs Lindsey Johnson, Co-opted	1	2
Mr Derek Smulders	2	2

D Woodward resigned as a Trust Board Member on 18 December 2015. D Smulders and L Johnson were appointed on 21 January 2016.

The latest Ofsted Report for Lark Rise Academy under the New Framework stated:

"The Governing Body works very effectively with the school's leaders and managers in raising achievement and improving the quality of teaching. Governors fully contribute to the success of the academy and are rigorous in how they support and challenge the staff."

Lark Rise is an 'outstanding' Academy and the Governors play their part in this whole team achievement. However there is no sense of complacency and Governors and school staff have benefitted during the year from input, support and training from external advisers who have a clear understanding of Ofsted expectations and school improvement experience. Governors have attended staff in-house training sessions on 'Assessment without Levels', data analysis, radicalisation issues and also take every opportunity to visit their subject links in the Academy. Where deemed appropriate, Governors attend Central Bedfordshire's Governor training sessions and Governor Forum Meetings.

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GOVERNANCE STATEMENT (continued)

A Governor skills survey has been completed in order to ascertain any skill areas that are weak; this information will be used when considering the appointment of new Governors or Trust Members for Lark Rise Academy.

Governors have a very good relationship with the school leadership team and receive all the relevant information necessary for them to be focused and effective in their role as a critical friend.

The Trust is continually reviewing the effectiveness of governance and seeking to identify priorities for improvement in order to ensure the very best outcomes possible for all our children.

The Finance Committee is a sub-committee of the main board of governors. The Finance Committee has formally met 3 times during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs Patrica Wilson, Chairman	3	3
Mr Graham Pryor	3	3
Mrs Joanne Patis, Responsible Officer	3	3
Mr Marcus Ray, Staff Governor	0	1
Mr Graham Page, Staff Governor	3	3
Mrs Rebecca Baker, Head Teacher and Accounting Officer	3	3

REVIEW OF VALUE FOR MONEY

The accounting officer of Lark Rise Academy Trust is responsible and accountable for ensuring that the Academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer has set out below how the academy trust's use of its resources has provided good value for money during the academic year.

The staff and Governors at Lark Rise Academy understand that they rely on public funds for best provision. Therefore, it is seen as vital that the Academy achieves best value for money particularly because it has a large amount of control over its spending decisions.

The staff and Governors at Lark Rise Academy feel that it is their statutory duty to ensure that best value principles are adopted in order that the Academy can be successful in raising standards. The staff and Governors will endeavour to raise standards by the most economic, efficient and effective means available. In all purchasing decisions the best value principles will be applied.

The four best value principles are:

- **COMPARE**

How a school's performance compares with that of other schools.

- **CHALLENGE**

Whether the school's performance is high enough, and why and how a service is being provided.

- **COMPETE**

How the school secures economic, efficient and effective services.

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GOVERNANCE STATEMENT (continued)

• **CONSULT**

Seeking the views of stakeholders about the services provided.

In relation to the Academy's expenditure and delegated budget, the main features of best value can be monitored by the governing body, who will ensure that the Academy's budget is allocated, as far as possible, to assist with the raising of standards.

In order to deliver better value for money in the Trust during the year, we have acquired various quotes from suppliers for services received, examples of these are:

- Refurbishment of school hall (including windows)
- Staff absence insurance
- Various ongoing price matching for regular school supplies (e.g. janitorial supplies)
- Playground storage (sheds)

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 Lark Rise Academy Trust, Dunstable for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 governors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs Joanne Patis, a governor, as

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GOVERNANCE STATEMENT (continued)

Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. These tests include:

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

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:

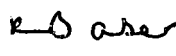
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of governors on

and signed on their behalf, by:


.....
Mrs Patricia Wilson
Chair of Governors


.....
Mrs Rebecca Baker
Accounting Officer

LARK RISE ACADEMY TRUST, DUNSTABLE
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lark Rise Academy Trust, Dunstable I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

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 2015.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

During the year the academy was subject to a fraudulent email attack. Despite the systems in place, there was an initial financial loss of £30,000 however the quick response by staff members ensured this money was fully recovered. In light of the fraud, the systems have been reviewed and the EFA have confirmed they are satisfied that no further action is necessary.



.....
Mrs Rebecca Baker
Accounting Officer

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees of Lark Rise Academy Trust, Dunstable and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

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

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

Approved by order of the members of the board of governors on

and signed on its behalf by:


.....
Mrs Patricia Wilson
Chair of Governors

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LARK
RISE ACADEMY TRUST, DUNSTABLE**

We have audited the financial statements of Lark Rise Academy Trust, Dunstable for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LARK
RISE ACADEMY TRUST, DUNSTABLE**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

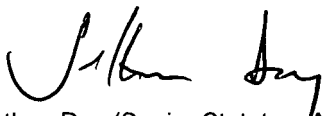
In our opinion the information given in the Governors' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

However, only partial disclosure has been made in respect of governors' remuneration (note 9).



Jonathan Day (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ
Date:

14 December 2016

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LARK RISE
ACADEMY TRUST, DUNSTABLE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lark Rise Academy Trust, Dunstable during the year 1 September 2015 to 31 August 2016 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 Lark Rise Academy Trust, Dunstable and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lark Rise Academy Trust, Dunstable and the EFA 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 Lark Rise Academy Trust, Dunstable and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LARK RISE ACADEMY TRUST, DUNSTABLE'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Lark Rise Academy Trust, Dunstable's funding agreement with the Secretary of State for Education dated 1 October 2010, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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.

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LARK RISE
ACADEMY TRUST, DUNSTABLE AND THE EDUCATION FUNDING AGENCY (continued)**

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the Finance Team.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Day (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

Date:

14 December 2016.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	8,101	-	8,101	6,632
Charitable activities	5	-	1,533,564	7,086	1,540,650	1,307,537
Other trading activities	3	15,423	70,582	-	86,005	72,555
Investments	4	390	-	-	390	707
Other income		-	12,914	-	12,914	14,522
TOTAL INCOME		15,813	1,625,161	7,086	1,648,060	1,401,953
EXPENDITURE ON:						
Charitable activities		-	1,562,298	135,387	1,697,685	1,800,783
TOTAL EXPENDITURE	6	-	1,562,298	135,387	1,697,685	1,800,783
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		15,813	62,863	(128,301)	(49,625)	(398,830)
Transfers between Funds	15	-	(5,492)	5,492	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		15,813	57,371	(122,809)	(49,625)	(398,830)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(276,000)	-	(276,000)	16,000
NET MOVEMENT IN FUNDS		15,813	(218,629)	(122,809)	(325,625)	(382,830)
RECONCILIATION OF FUNDS:						
Total funds brought forward		145,371	(304,642)	1,963,612	1,804,341	2,187,171
TOTAL FUNDS CARRIED FORWARD		161,184	(523,271)	1,840,803	1,478,716	1,804,341

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07359630

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		1,840,803		1,963,612
CURRENT ASSETS					
Debtors	13	90,470		83,382	
Cash at bank and in hand		392,213		351,582	
		<u>482,683</u>		<u>434,964</u>	
CREDITORS: amounts falling due within one year	14	(212,770)		(266,235)	
NET CURRENT ASSETS			269,913		168,729
TOTAL ASSETS LESS CURRENT LIABILITIES			2,110,716		2,132,341
Defined benefit pension scheme liability	20		(632,000)		(328,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,478,716</u>		<u>1,804,341</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	108,729		23,358	
Restricted fixed asset funds	15	1,840,803		1,963,612	
		<u>1,949,532</u>		<u>1,986,970</u>	
Restricted funds excluding pension reserve					
Pension reserve		(632,000)		(328,000)	
Total restricted income funds			1,317,532		1,658,970
Unrestricted income funds	15		161,184		145,371
TOTAL FUNDS			<u>1,478,716</u>		<u>1,804,341</u>

The financial statements were approved by the governors, and authorised for issue, on and are signed on their behalf, by:



Mrs Patricia Wilson
Chair of Governors

The notes on pages 25 to 45 form part of these financial statements.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	<u>52,819</u>	<u>(12,083)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		390	707
Purchase of tangible fixed assets		<u>(12,578)</u>	<u>(81,726)</u>
Net cash used in investing activities		<u>(12,188)</u>	<u>(81,019)</u>
Change in cash and cash equivalents in the year		40,631	(93,102)
Cash and cash equivalents brought forward		<u>351,582</u>	<u>444,684</u>
Cash and cash equivalents carried forward	18	<u><u>392,213</u></u>	<u><u>351,582</u></u>

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Lark Rise Academy Trust, Dunstable constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Charitable activities and Governance costs 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.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	28 years straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	33% reducing balance
Property improvements	-	10% reducing balance

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 Interest receivable

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

1.8 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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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 and the assets are held separately from those of the Academy Trust.

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. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 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.

Critical accounting estimates and assumptions:

The Academy Trust 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 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

1.15 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 governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	8,101	-	8,101	6,632

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £6,632 was to restricted funds.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	1,440	-	1,440	1,440
Charity fundraising	2,288	-	2,288	-
Educational trips	-	29,612	29,612	28,449
Skylarks income (childcare)	-	21,907	21,907	20,154
Extended learning clubs	-	19,063	19,063	17,510
School product sales	-	-	-	200
Consultancy income	8,086	-	8,086	400
Photography commission	3,609	-	3,609	1,502
Enthuse and impact awards	-	-	-	2,900
	<u>15,423</u>	<u>70,582</u>	<u>86,005</u>	<u>72,555</u>

In 2015, of the total income from other trading activities, £3,342 was to unrestricted funds and £69,213 was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	390	-	390	707
	<u>390</u>	<u>-</u>	<u>390</u>	<u>707</u>

In 2015, of the total investment income, £ 707 was to unrestricted funds and £ NIL was to restricted funds.

LARK RISE ACADEMY TRUST, DUNSTABLE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,106,477	1,106,477	959,286
Other DfE/EFA grants	-	91,484	91,484	86,336
EFA Teaching School Income	-	98,000	98,000	66,000
EFA Capital Funding	-	7,086	7,086	6,787
	-	1,303,047	1,303,047	1,118,409
Other government grants				
LA Funding Early Years	-	126,141	126,141	118,315
LA SEN	-	18,843	18,843	15,087
LA Teaching School Income	-	66,576	66,576	47,465
	-	211,560	211,560	180,867
Other funding				
Other Teaching School Income	-	24,653	24,653	7,180
Other income	-	1,390	1,390	1,081
	-	26,043	26,043	8,261
	-	1,540,650	1,540,650	1,307,537

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,307,537 was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	1,053,865	-	222,858	1,276,723	1,078,120
Support costs	127,493	73,238	220,231	420,962	715,663
	1,181,358	73,238	443,089	1,697,685	1,793,783

All expenditure related to the one charitable activity of the academy's educational operations.

In 2016, of the total expenditure, £NIL (2015 - £NIL) was to unrestricted funds and £1,705,435 (2015 - £1,793,783) was to restricted funds.

LARK RISE ACADEMY TRUST, DUNSTABLE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

CHARITABLE ACTIVITIES

	2016 £	2015 £
DIRECT COSTS		
Wages and salaries	864,622	738,524
National insurance	53,928	42,004
Pension cost	148,315	100,501
Education Supplies	43,141	29,458
Staff development	19,207	20,517
Other direct costs	35,396	31,817
Depreciation	112,114	115,299
	<u>1,276,723</u>	<u>1,078,120</u>
SUPPORT COSTS		
Wages and salaries	92,054	115,644
National insurance	3,722	4,060
Pension costs	31,717	37,477
Depreciation	23,273	26,931
Pension costs (FRS102)	13,000	12,000
Teaching school expenditure	65,262	38,897
Cleaning costs	3,498	5,218
Rent and rates	18,203	8,978
Insurance	23,877	20,989
Recruitment	4,627	2,784
Heat and light	12,600	12,088
Governance - Audit fees	6,100	5,350
Governance - Non-audit costs	1,950	500
Maintenance of premises and equipment	42,435	40,681
Catering	28,952	26,514
Technology costs	25,979	30,104
ACMF expenditure	-	309,221
Other support and admin expenses	23,713	25,227
	<u>420,962</u>	<u>722,663</u>
Total expenditure	<u><u>1,697,685</u></u>	<u><u>1,800,783</u></u>

LARK RISE ACADEMY TRUST, DUNSTABLE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	135,387	142,230
Auditors remuneration	6,100	5,350
Auditors remuneration - other services	1,950	500
Operating lease rentals	12,494	7,136
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LARK RISE ACADEMY TRUST, DUNSTABLE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	956,676	854,168
Social security costs	57,650	46,064
Operating costs of defined benefit pension schemes	167,032	137,978
	<u>1,181,358</u>	<u>1,038,210</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	16	15
Support and Administration	19	18
Management	1	1
	<u>36</u>	<u>34</u>

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

	2016 No.	2015 No.
Teachers	18	15
Support and administration	32	33
Management	1	1
	<u>51</u>	<u>49</u>

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

	2016 No.	2015 No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust companies of the senior leadership trust as listed on page 1. The total employee benefits (including employers pension contributions) received by key management personnel for their services to the academy trust was £270,230 (2015 £191,793).

LARK RISE ACADEMY TRUST, DUNSTABLE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 5 governors (2015 - 5) in respect of defined contribution pension schemes.

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

		2016 £	2015 £
Head Teacher and Accounting Officer	Remuneration	80,000-85,000	80,000-85,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Staff Governors	Remuneration	145,000-150,000	145,000-150,000
	Pension contributions paid	20,000-25,000	20,000-25,000

During the year, no governors received any benefits in kind (2015 - £NIL).

During the year, no governors received any reimbursement of expenses (2015 - £NIL).

10. GOVERNORS' 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £450 (2015 - £450).

11. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	18,000	15,000
Interest on pension scheme liabilities	(31,000)	(27,000)
	<u>(13,000)</u>	<u>(12,000)</u>

LARK RISE ACADEMY TRUST, DUNSTABLE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS

	Long leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Property improve- ments £	Total £
Cost						
At 1 September 2015	1,456,918	22,995	31,273	91,688	711,824	2,314,698
Additions	-	-	6,457	4,734	1,387	12,578
At 31 August 2016	1,456,918	22,995	37,730	96,422	713,211	2,327,276
Depreciation						
At 1 September 2015	175,348	15,517	9,659	39,565	110,997	351,086
Charge for the year	51,991	1,870	3,423	17,980	60,123	135,387
At 31 August 2016	227,339	17,387	13,082	57,545	171,120	486,473
Net book value						
At 31 August 2016	1,229,579	5,608	24,648	38,877	542,091	1,840,803
At 31 August 2015	1,281,570	7,478	21,614	52,123	600,827	1,963,612

13. DEBTORS

	2016 £	2015 £
Trade debtors	30,073	4,460
Prepayments and accrued income	43,635	44,686
VAT recoverable	16,762	34,236
	<u>90,470</u>	<u>83,382</u>

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	88,951	167,670
Other taxation and social security	20,719	17,506
Accruals and deferred income	103,100	81,059
	<u>212,770</u>	<u>266,235</u>

LARK RISE ACADEMY TRUST, DUNSTABLE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. CREDITORS: Amounts falling due within one year (continued)

	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	35,315	35,004
Amounts released from previous years	(35,315)	(35,004)
Catering and Autumn Clubs	3,414	3,777
Devolved formula capital	4,310	4,007
Universal infant free school meals	28,041	27,531
	<hr/>	<hr/>
Deferred income at 31 August 2016	35,765	35,315
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LARK RISE ACADEMY TRUST, DUNSTABLE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Fund	145,371	15,813	-	-	-	161,184
Restricted funds						
General Annual Grant (GAG)	-	1,106,477	(1,067,250)	(5,492)	-	33,735
Other EFA Grants	-	91,360	(91,360)	-	-	-
LA Grants	-	146,090	(146,090)	-	-	-
Teaching School	23,358	184,184	(125,548)	-	-	81,994
Other Income	-	97,050	(104,050)	-	-	(7,000)
Pension reserve	(328,000)	-	(28,000)	-	(276,000)	(632,000)
	<u>(304,642)</u>	<u>1,625,161</u>	<u>(1,562,298)</u>	<u>(5,492)</u>	<u>(276,000)</u>	<u>(523,271)</u>
Restricted fixed asset funds						
Tangible fixed assets	1,963,612	-	(135,387)	12,578	-	1,840,803
Devolved Formula Capital	-	7,086	-	(7,086)	-	-
	<u>1,963,612</u>	<u>7,086</u>	<u>(135,387)</u>	<u>5,492</u>	<u>-</u>	<u>1,840,803</u>
Total restricted funds	<u>1,658,970</u>	<u>1,632,247</u>	<u>(1,697,685)</u>	<u>-</u>	<u>(276,000)</u>	<u>1,317,532</u>
Total of funds	<u>1,804,341</u>	<u>1,648,060</u>	<u>(1,697,685)</u>	<u>-</u>	<u>(276,000)</u>	<u>1,478,716</u>

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

General Funds:

The Academy's general funds represent income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

LARK RISE ACADEMY TRUST, DUNSTABLE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. STATEMENT OF FUNDS (continued)

Restricted Funds:

The Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the EFA for the General Annual Grant (GAG) and Pupil Premium. Special Educational Needs grants were also received from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy. The unspent funds have been carried forward to future accounting periods.

Teaching School - The Academy received other restricted income for the provision of teaching school which has been used to provide a number of courses for staff of the Academy and other schools. The teaching school activities have also generated other income from participation and the unspent funds have been carried forward to future accounting periods.

Pension Reserve - As stated in note 20 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to Lark Rise Academy Trust can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

Restricted Fixed Asset Funds:

The Academy received Capital Formula funding to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Assets reserve.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,840,803	1,840,803	1,963,612
Current assets	161,184	321,499	-	482,683	434,964
Creditors due within one year	-	(212,770)	-	(212,770)	(266,235)
Provisions for liabilities and charges	-	(632,000)	-	(632,000)	(328,000)
	<u>161,184</u>	<u>(523,271)</u>	<u>1,840,803</u>	<u>1,478,716</u>	<u>1,804,341</u>

LARK RISE ACADEMY TRUST, DUNSTABLE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(49,625)	(398,830)
Adjustment for:		
Depreciation charges	135,387	142,229
Dividends, interest and rents from investments	(390)	(707)
(Increase)/decrease in debtors	(7,088)	252,579
Decrease in creditors	(53,465)	(36,354)
Defined benefit pension scheme cost less contributions payable	15,000	17,000
Defined benefit pension scheme finance cost	13,000	12,000
Net cash provided by/(used in) operating activities	52,819	(12,083)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	392,213	351,582
Total	392,213	351,582

19. CAPITAL COMMITMENTS

At 31 August 2016 the Academy Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	17,243	-

LARK RISE ACADEMY TRUST, DUNSTABLE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedford Borough Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £135,315 (2015 - £100,501).

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £69,000 (2015 - £60,000), of which employer's contributions totalled £51,000 (2015 - £46,000) and employees' contributions totalled £18,000 (2015 - £14,000). The agreed contribution rates for future years are 17.9% for employers and varying% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Expected return on scheme assets at 31 August	- %	3.80 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	456,000	295,000
Debt instruments	59,000	80,000
Property	59,000	49,000
Cash	18,000	18,000
Total market value of assets	<u>592,000</u>	<u>442,000</u>

The actual return on scheme assets was £81,000 (2015 - £9,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(66,000)	(63,000)
Net interest cost	(13,000)	(12,000)
Total	<u>(79,000)</u>	<u>(75,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	770,000	688,000
Current service cost	66,000	63,000
Interest cost	31,000	27,000
Contributions by employees	18,000	14,000
Change of financial assumptions	339,000	(22,000)
Closing defined benefit obligation	<u>1,224,000</u>	<u>770,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	442,000	373,000
Interest income	18,000	15,000
Return on plan assets (excluding net interest on the net defined pension liability)	63,000	(6,000)
Contributions by employer	51,000	46,000
Contributions by employees	18,000	14,000
	<u>592,000</u>	<u>442,000</u>
Closing fair value of scheme assets	<u>592,000</u>	<u>442,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Between 1 and 5 years	<u>3,658</u>	<u>6,352</u>

22. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The daughter of Mrs P Wilson, Chair of Governors, is employed by Lark Rise Academy. The appointment followed the correct staff recruitment policy. During the year the value of remuneration fell within the band £30,000 - £35,000 (2015 £30,000 - £35,000).

The sister in law of Mrs R Baker, Headteacher and Accounting Officer, is employed by Lark Rise Academy. The appointment followed the correct staff recruitment policy. During the year the value of remuneration fell within the band £5,000 - £10,000 (2015 £5,000 - £10,000).

The mother of Mrs R Baker, Headteacher and Accounting Officer, works as a supply teacher at Lark Rise Academy. The procurement of the services has followed the Academies policies. During the year the value of services provided fell within the band £5,000 - £10,000 (2015 £5,000 - £10,000).

The wife of Mr S Bidgood, Co-opted Governor, is employed by Lark Rise Academy. The appointment followed the correct staff recruitment policy. During the year the value of remuneration fell within the band £10,000 - £15,000 (2015 £10,000 - £15,000).

24. MEMBERS' LIABILITY

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

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.