

Company Registration Number: 07685652 (England and Wales)

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Trustees

L Mayes, Headteacher¹
K M Barrett, Vice Chair¹
P Ashdown, Chair¹
S Franklin
A-J MacLaughlin¹
T Moran (resigned 20 May 2018)
D Mackman¹
C Webb¹
C Hobson¹
T Beach
J Dearlove
C Chew
L Crosby (appointed 28 September 2017)
A Davison (appointed 28 September 2017)¹
C Harmer (appointed 20 May 2018)
H Jackson (appointed 27 September 2017)¹
N Maysey (appointed 28 September 2017)
A Shakespeare (appointed 28 September 2017)¹
C Short (appointed 20 May 2018)
L Smith (appointed 28 September 2017)
F Wall (appointed 28 September 2017)

¹ Finance & Staffing Committee

Company registered number 07685652

Company name Lethbridge Primary School

Principal and Registered office Lethbridge Road
Swindon
Wiltshire
SN1 4BY

Accounting officer L Mayes

Senior management team

L Mayes, Headteacher
C Short, Deputy Headteacher- Phase 3/4 Leader
C Harmer, Deputy Headteacher- Phase 5/6 Leader
C Millen, School Business Manager
L Pryke, Yr 1/2 Phase Leader
C Valderey, EYFS Phase Leader
E Corp, SENCO

Independent auditors Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers	Lloyds Bank Plc 5 High Street Swindon SN1 3EN
Solicitors	Swindon Borough Council Civic Offices Euclid Street Swindon SN1 2JH

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in Old Town, Swindon. It has a pupil capacity of 490 and had a roll of 485 in the most recent school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Lethbridge Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lethbridge Primary School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 August 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 8 Community Trustees who are appointed by members;
- up to 6 Parent Trustees who are elected by the Parents of registered pupils at the Academy subject to there being a minimum of 2;
- up to 4 Staff Trustees who are elected by members of staff subject to the total number not exceeding one third of the total number of Trustees; and
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees follows the Induction Policy which is available from the Clerk. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Academy purchases services from Swindon Borough Council's Trustees Support Service including access to Trustee Briefings and training. Advantage is also taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Full Governing Body normally meets once each term. The Full Governing Body establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Academy has formed a Finance & Staffing Committee whose terms of reference are:

- To recommend a strategic premises plan identifying the school's long term aims and one year objectives in order to achieve them;
- To prioritise, initiate and evaluate programmes of improvement and development, including specific premises projects, all in accordance with the school's Health & Safety Policy;
- To receive and monitor regular financial reports, make any necessary virements and exercise internal financial control; and
- In accordance with the Staffing and Pay Policy, make decisions concerning the Deployment, Recruitment, Appointment and Staff Development for all staff and to review the appraisal policy.

Individual Trustees are encouraged to act as Link Trustees for specific areas of school activity as prioritised by the School Development Plan.

The following decisions are reserved to the Full Governing Body; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual School Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Phase Leaders and the School Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with performance management recommendations.

Connected Organisations, including Related Party Relationships

There are no related parties that either control or significantly influence the decisions and operations of Lethbridge Primary School.

OBJECTIVES AND ACTIVITIES

At Lethbridge Primary School, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment. This is summarised in our vision statement: Live, Learn and Achieve at Lethbridge!

After the appointment of a new headteacher and two new deputy head teachers, as well as a successful Ofsted inspection in 2017, the academic year 2017/18 was a year of consolidating these changes, whilst maintaining the academy's high educational and pastoral standards. Much effort went into defining the roles and responsibilities within the school's Senior Leadership Team more clearly and building on individual strengths. Staff changes throughout the year have been minimal and all teaching staff have been closely involved in creating a new Teaching and Learning Policy. Ownership of the policy is evident throughout the school and the quality of teaching and learning is consistent across all year groups and for all groups of children.

The school's Early Year Foundation was externally validated by Swindon Borough Council in 2017/18. Teacher assessments across reading, writing and maths were deemed to be accurate and outcomes for pupils remain very good, as evidenced in the attainment data detailed below.

Throughout 2017/18, Lethbridge Primary school has continued its close collaboration with other local secondary and primary schools and playgroups through its Executive Strategy Partnership (ESP), created in 2017. Information and best practice are shared on several levels, including head teachers, deputy head teachers, governors, business managers and SEND Coordinators. Noteworthy successes of the ESP in 2017/18 were a bespoke leadership training course for selected members of staff with high leadership potential, as well as a new, in depth transition scheme to support primary pupils as they move to secondary school.

In the academic year 2017/18, the school has made significant investments into the school's infrastructure by means of a combination of fundraising and successful financial bidding. The school's Parent and Teacher Association "Friends of Lethbridge" raised significant funds to create a brand-new school library. This friendly and welcoming space is now used by pupils to borrow books as well as for small group and intervention work. Lethbridge Primary School successfully bid for funding for a new sensory room. This gives children with additional social, emotional and mental health needs a safe space within the school setting. Further investments were made into the play equipment for the Key Stage 2 playground and the complete refurbishment of multiple toilets throughout the school, resulting in better hygiene and appearance.

Objects and Aims

Objectives, Strategies and Activities

Key priorities set out in the School Development Plan for 2017/18 were met as follows:

- Improvements in pupil's handwriting and spelling was further embedded across the school with greater opportunities in foundation subjects for writing assessments. Greater consistency of expectations was applied in handwriting across each year group and in all writing in any subject with focussed development of editing and drafting skills for children with a clear ladder of skills developed. Hand writing expectations were consistently reinforced, and book scurrility shows improvement. Pen-pals from Sri Lanka and Berlin were introduced and established for Year 4 pupils and Year 6 children respectively;
- Work on the difference between boys' and girls' achievement in writing was undertaken by ensuring that boys in the early years were supported to make full use of writing activities, so that their early writing skills are improved. A cross curriculum writing project undertaken in KS1 has led to making the curriculum more boy friendly;
- Improvements were made in the ability of non-core subject leaders to effectively monitor quality of teaching and learning in their subject. This was achieved through the development of faculty groups to share responsibility for the development of all subjects. This has raised improvements in the support network amongst staff and has led to some exciting cross curricular support for teachers;
- Leadership has been developed across the whole school at all levels; and
- Governor monitoring of science and foundation subjects was developed and has been made more visible to increase its effectiveness to challenge leaders about pupil's achievement. Governor links to each faculty were set up, which has led to an increased number of visits into the school and increased knowledge and collaborative working.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

This was the seventh year of operation of the school as an academy. The school's results for 2017-18 are summarised below together with the prior year. The assessment structure and the curriculum for primary schools radically changed in 2015. The results demonstrate a high quality of teaching and overall success of the school's approach.

End of 2017-18 National Assessment Results KS2

School compared to Local Authority and National

		Cohort	School	LA	National
Expected Standard Plus	Reading	70	92.9%	74.0%	75.0%
	Writing	70	87.1%	78.2%	78.0%
	GPS	70	90.0%	77.0%	77.0%
	Maths	70	92.9%	74.0%	75.0%
	Science	70	95.7%	82.2%	83.0%
	RWM	70	84.3%	63.2%	64.0%
GDS / High Standard	Reading	70	35.7%	26.9%	28.1%
	Writing	70	25.7%	20.2%	19.8%
	GPS	70	51.4%	33.0%	34.0%
	Maths	70	31.4%	21.0%	23.0%
	RWM	70	18.6%	9.1%	9.8%
Average Scaled Score	Reading	69	108.2	105.0	105.0
	GPS	69	109.5	106.1	106.0
	Maths	69	107.3	104.1	104.0

Final validated results for KS2 due in December will show a 1% increase in these results for reading, writing, maths, GPS, science and combined at expected standard.

End of 2016-17 National Assessment Results KS2

School compared to Local Authority and National

		Cohort	School	LA	National
Expected Standard Plus	Reading	70	87.1%	72.4%	71.0%
	Writing	70	78.6%	76.2%	76.0%
	GPS	70	84.3%	77.7%	77.0%
	Maths	70	84.3%	75.5%	75.0%
	Science	70	94.3%	80.1%	81.7%
	RWM	70	70.0%	61.4%	61.0%
GDS / High Standard	Reading	70	31.4%	24.9%	25.0%
	Writing	70	21.4%	15.6%	18.0%
	GPS	70	41.4%	30.2%	31.0%
	Maths	70	28.6%	19.9%	23.0%
	RWM	70	12.9%	8.0%	9.0%
Average Scaled Score	Reading	70	106.6	104.4	104.1
	GPS	70	108.4	106.0	106.0
	Maths	70	105.2	104.0	104.2

End of 2017-18 National Assessment Results KS1

School compared to Local Authority and National

		Cohort	School	LA	National
PKF and below	Reading	70	1.4%	8.0%	7.2%
	Writing	70	1.4%	8.1%	6.9%
	Maths	70	1.4%	7.1%	6.4%
WTS	Reading	70	15.7%	14.7%	17.3%
	Writing	70	21.4%	19.3%	22.3%
	Maths	70	17.1%	14.6%	17.6%
	Science HNM	70	1.4%	16.2%	17.2%
EXS+	Reading	70	82.9%	77.3%	75.5%
	Writing	70	77.1%	72.6%	69.9%
	Maths	70	81.4%	78.2%	76.1%
	Science	70	98.6%	83.8%	82.8%
	R+W+M	70	75.7%	68.5%	65.3%
GDS	Reading	70	41.4%	28.2%	25.6%
	Writing	70	25.7%	17.6%	15.9%
	Maths	70	32.9%	23.3%	21.8%
	R+W+M	70	22.9%	13.7%	11.7%

End of 2016-17 National Assessment Results KS1

		Cohort	School	LA	National
PKF and below	Reading	70	1.4%	5.5%	#N/A
	Writing	70	2.9%	5.8%	#N/A
	Maths	70	1.4%	4.8%	#N/A
WTS	Reading	70	11.4%	17.4%	#N/A
	Writing	70	12.9%	22.4%	#N/A
	Maths	70	12.9%	17.1%	#N/A
	Science HNM	70	4.3%	15.4%	17.4%
EXS+	Reading	70	87.1%	75.8%	75.6%
	Writing	70	84.3%	70.6%	68.2%
	Maths	70	85.7%	76.9%	75.2%
	Science	70	95.7%	83.2%	82.6%
	R+W+M	70	81.4%	66.4%	63.7%
GDS	Reading	70	44.3%	25.9%	25.2%
	Writing	70	31.4%	16.5%	15.6%
	Maths	70	35.7%	20.2%	20.5%
	R+W+M	70	21.4%	11.4%	10.9%

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

Key Stage 1

Phonics Test- Year 1

	Lethbridge	National
2012	50%	58%
2013	70%	69%
2014	86%	74%
2015	85%	77%
2016	80%	81%
2017	83%	81%
2018	90%	82%

The basis of these results is that Lethbridge is a happy, caring environment where children feel secure and able to succeed. The Academy is committed to providing children with an amazing learning experience that incorporates all aspects of the child's development. As in previous years, pupils have benefitted from a variety of visits and visitors to the school, many after-school clubs, opportunities for children to perform in their productions and assemblies, celebrations of local and national events, and the many activities organised by the Friends who raise significant funds for the benefit of pupils at Lethbridge School.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £Nil GAG was carried forward and the Trust held unrestricted funds at the Balance Sheet date of £141,515.

Another key financial performance indicator is staffing costs as a percentage of total revenue income. For 2017/18 this was 83.6% compared to 82.7% in 2017.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017/18 were 485. It is anticipated that this number will remain reasonably stable and may increase by one or two.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 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 DfE and these 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018, total expenditure (excluding restricted fixed asset funds and pension scheme liabilities) of £1,997,943 was largely covered by recurrent grant funding from the DfE, together with other incoming resources of £2,013,437. The excess of income over expenditure for the year was £15,494.

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

At 31 August 2018 the net book value of fixed assets was £3,685,760 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £3,681,384. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy took on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The movement on the deficit in the scheme in the year is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted a Internal Assurance Officer Policy and appointed Financial Services 4 Schools Ltd to undertake a programme of internal checks on financial controls. During the year, the Trustees received four reports from Financial Services 4 Schools Ltd which contained no matters of significance.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

The level of reserves will be determined by Trustees annually to provide a prudent level of reserves to meet the long term cyclical needs of the Academy and short term cash flow requirements needs and to meet unforeseen contingencies. Although these levels can fluctuate depending on operational needs the Trustees have determined that the Academy should aim to have a minimum of £50,000 or the maximum permitted by the ESFA.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 91% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is 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.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers especially with a new primary school being opened in the area. Trustees recognise that educational standards need to continue to improve and closely monitor achievement to ensure this happens. In addition, Trustees realise that the Academy needs to market its achievements more proactively and will put in place activities to do this.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The specific ways that the Academy will seek to achieve these objectives are in the School Improvement Plan for 2018/19.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.


AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 28.11.2018 and signed on the board's behalf by:



P Ashdown
Chair of Trustees

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lethbridge 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 7 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
L Mayes	7	7
K M Barrett	7	7
P Ashdown (Chair)	7	7
S Franklin	2	7
A-J MacLaughlin	1	7
T Moran	4	5
D Mackman	5	7
C Webb	5	6
C Hobson	5	7
T Beach	4	7
J Dearlove	6	7
C Chew	6	7
L Crosby	5	7
A Davison	6	7
C Harmer	2	2
H Jackson	1	7
N Maysey	6	7
A Shakespeare	4	7
C Short	2	2
L Smith	6	7
F Wall	7	7

The Finance & Staffing Committee is a sub-committee of the main Board of Trustees which receives and monitors regular financial reports, makes any necessary virements and exercise internal financial control against the Annual Budget, and receives reports from the Responsible Officer. The committee also oversees the school's premises plan and to prioritise, initiate and evaluate programmes of improvement and development, including specific premises projects, all in accordance with the school's Health & Safety Policy.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Shakespeare	3	3
D Mackman (Chair of Finance & Staffing Committee)	4	5
A Davison	0	3
P Ashdown	5	5
L Mayes	4	5
A Maclaughlin	0	4
C Webb	3	5
C Hobson	3	3
K M Barrett	5	5
H Jackson	0	3

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:

- Reducing costs of our lunch time cover. When Universal School meals were introduced the school moved to a split lunch arrangement to cope with the higher number, resulting in additional staff resources to cover a 1 hour 20 minutes break. However, since systems in coping efficiently have been established, the lunch break was reviewed and the school managed to revert back to a one hour break to save money on resourcing the longer lunch time. This has meant we have been able to make some necessary expenditure savings as a result of a tighter budget, without directly affecting the quality of education provided.
- Sharing the costs of ICT Manager with additional schools. Having employed an ICT Manager for some years, the school's ICT systems have run smoothly and updating technology is more efficient. This has enabled us to increase the sale of our ICT Manager's services to more schools to assist with our costs of employing them, and in addition providing other local schools with a quality service that is less expensive than they would be able to purchase from a commercial set up. Again, cost savings have been made; retaining the services of a skilled staff member who enhances our learning environment, without directly impacting the education of the children.
- We have constantly reviewed our staff needs as staff members leave during the year. Two support staff left during the academic year and their hours were not replaced by recruiting like for like. Instead, we reviewed the needs of the children with learning difficulties for whom it had been necessary to provide many hours of one to one support at the start of the academic year. We were able to reduce these hours so that staff resource for them was shared between more than one child as this would enable us to foster independence in those children at the correct stage in their development. The hours saved could then be redeployed to cover the necessary hours of the support staff who left mid-year. This constant adaptable approach enables us to make necessary savings during the school year and adjust to the needs of the children on an ongoing basis.

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 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 Lethbridge Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance & Premises 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 Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Financial Services 4 Schools Ltd, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a semi-annual basis, the reviewer reports to the Board of Trustees through the Finance and Staffing Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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:

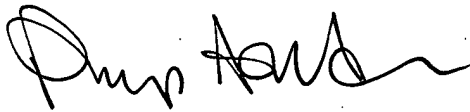
- the work of the reviewer;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 28/11/2018 and signed on their behalf, by:



**P Ashdown
Chair of Trustees**



**L Mayes
Accounting Officer**

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



**L Mayes
Accounting Officer**

Date: 28.11.18

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

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



P Ashdown
Chair of Trustees

Date: 28th November 2018

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LETHBRIDGE PRIMARY SCHOOL**

OPINION

We have audited the financial statements of Lethbridge Primary School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the 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.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LETHBRIDGE PRIMARY SCHOOL**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LETHBRIDGE PRIMARY SCHOOL**

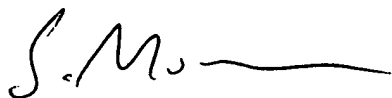
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

14/12/2017

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lethbridge Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lethbridge Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lethbridge 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 Lethbridge Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LETHBRIDGE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Lethbridge Primary School's funding agreement with the Secretary of State for Education dated July 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

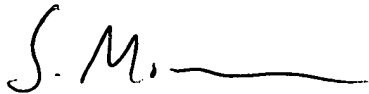
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE
PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 14/12/2018

LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	4,484	74,407	12,450	91,341	196,205
Charitable activities	5	45,320	1,872,702	-	1,918,022	1,887,703
Other trading activities	3	12,233	4,125	-	16,358	18,932
Investments	4	166	-	-	166	198
TOTAL INCOME		62,203	1,951,234	12,450	2,025,887	2,103,038
EXPENDITURE ON:						
Charitable activities		77,685	2,035,258	97,276	2,210,219	2,173,611
TOTAL EXPENDITURE	6	77,685	2,035,258	97,276	2,210,219	2,173,611
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	18	(15,482)	(84,024)	(84,826)	(184,332)	(70,573)
		-	(27,581)	27,581	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(15,482)	(111,605)	(57,245)	(184,332)	(70,573)
Actuarial gains on defined benefit pension schemes	23	-	288,000	-	288,000	553,000
NET MOVEMENT IN FUNDS		(15,482)	176,395	(57,245)	103,668	482,427
RECONCILIATION OF FUNDS:						
Total funds brought forward		156,997	(483,222)	3,743,005	3,416,780	2,934,353
TOTAL FUNDS CARRIED FORWARD		141,515	(306,827)	3,685,760	3,520,448	3,416,780

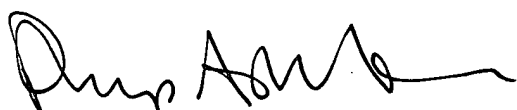
The notes on pages 27 to 48 form part of these financial statements.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07685652**

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		3,685,760		3,641,578
CURRENT ASSETS					
Debtors	14	66,458		60,762	
Cash at bank and in hand		251,981		325,200	
		<u>318,439</u>		<u>385,962</u>	
CREDITORS: amounts falling due within one year	15	<u>(180,197)</u>		<u>(131,138)</u>	
NET CURRENT ASSETS			<u>138,242</u>		<u>254,824</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,824,002</u>		<u>3,896,402</u>
CREDITORS: amounts falling due after more than one year	16		<u>(42,554)</u>		<u>(45,622)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,781,448</u>		<u>3,850,780</u>
Defined benefit pension scheme liability	23		<u>(261,000)</u>		<u>(434,000)</u>
NET ASSETS			<u><u>3,520,448</u></u>		<u><u>3,416,780</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	(45,827)		(49,222)	
Fixed asset funds	18	3,685,760		3,743,005	
		<u>3,639,933</u>		<u>3,693,783</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(261,000)</u>		<u>(434,000)</u>	
Total restricted funds			<u>3,378,933</u>		<u>3,259,783</u>
Unrestricted funds	18		<u>141,515</u>		<u>156,997</u>
TOTAL FUNDS			<u><u>3,520,448</u></u>		<u><u>3,416,780</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



P Ashdown
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>59,018</u>	<u>6,596</u>
Cash flows from investing activities:			
Interest received		166	198
Purchase of tangible fixed assets		(141,458)	(55,286)
Capital grants from DfE Group		<u>12,450</u>	<u>115,939</u>
Net cash (used in)/provided by investing activities		<u>(128,842)</u>	<u>60,851</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(3,395)</u>	<u>(3,395)</u>
Net cash used in financing activities		<u>(3,395)</u>	<u>(3,395)</u>
Change in cash and cash equivalents in the year		(73,219)	64,052
Cash and cash equivalents brought forward		<u>325,200</u>	<u>261,148</u>
Cash and cash equivalents carried forward	21	<u><u>251,981</u></u>	<u><u>325,200</u></u>

The notes on pages 27 to 48 form part of these financial statements.

**LETHBRIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

Lethbridge Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Lethbridge Road, Swindon, Wiltshire, SN1 4BY.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Lethbridge Primary School constitutes a public benefit entity as defined by FRS 102.

1.3 GOING CONCERN

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

1.4 FUND ACCOUNTING

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

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.

Investment income, gains and losses are allocated to the appropriate fund.

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

1. ACCOUNTING POLICIES (continued)

1.5 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 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 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.

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 receipt is probable and it is measurable.

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

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

1.6 EXPENDITURE

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

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

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

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	125 years straight line
Leasehold property	-	50 years straight line
Furniture and fixtures	-	7 years straight line
Computer equipment	-	5 years straight line

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

1.8 OPERATING LEASES

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

1.9 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 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.

1.11 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.

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

1. ACCOUNTING POLICIES (continued)

1.12 LIABILITIES AND PROVISIONS

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

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 23, 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 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.

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

1. ACCOUNTING POLICIES (continued)

1.14 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	4,484	74,407	12,450	91,341	80,266
Capital Grants	-	-	-	-	115,939
	<u>4,484</u>	<u>74,407</u>	<u>12,450</u>	<u>91,341</u>	<u>196,205</u>
Total 2017	<u>1,732</u>	<u>71,219</u>	<u>123,254</u>	<u>196,205</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	12,233	-	12,233	10,407
Trainee teacher income	-	4,125	4,125	8,525
	<u>12,233</u>	<u>4,125</u>	<u>16,358</u>	<u>18,932</u>
Total 2017	<u>10,407</u>	<u>8,525</u>	<u>18,932</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	166	-	166	198
	<u>166</u>	<u>-</u>	<u>166</u>	<u>198</u>
Total 2017	<u>198</u>	<u>-</u>	<u>198</u>	

LETHBRIDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,558,665	1,558,665	1,577,237
Other DfE/ESFA grants	-	165,100	165,100	138,255
	-	1,723,765	1,723,765	1,715,492
Other Government grants				
High Needs	-	112,271	112,271	96,640
	-	112,271	112,271	96,640
Other funding				
Internal catering income	45,320	-	45,320	42,753
Other	-	36,666	36,666	32,818
	45,320	36,666	81,986	75,571
	45,320	1,872,702	1,918,022	1,887,703
Total 2017	44,530	1,843,173	1,887,703	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	1,283,882	97,276	130,236	1,511,394	1,503,285
Support costs	399,122	99,492	200,211	698,825	670,326
	1,683,004	196,768	330,447	2,210,219	2,173,611
Total 2017	1,547,514	198,993	427,104	2,173,611	

LETHBRIDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	7,000	10,000
Educational supplies	118,042	105,955
Staff development	5,194	7,511
Supply teachers	6,859	12,564
Wages and salaries	969,545	969,814
National insurance	78,089	74,815
Pension cost	229,389	216,775
Depreciation	97,276	105,851
	1,511,394	1,503,285
Total 2017	1,503,285	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	5,000	9,000
Other costs	6,543	11,560
Maintenance of premises and equipment	25,300	24,420
Cleaning	40,599	39,798
Rent and rates	12,537	10,531
Energy costs	21,056	18,396
Insurance	11,074	11,519
Catering	56,400	54,838
Technology costs	18,139	18,052
Office overheads	27,003	23,556
Legal and professional	63,271	72,481
Bank interest and charges	1,893	1,893
Governance	10,888	11,172
Wages and salaries	270,156	265,496
National insurance	16,954	17,028
Pension cost	112,012	80,586
	698,825	670,326
Total 2017	670,326	

LETHBRIDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	97,276	105,851
Auditor's remuneration - audit	5,550	5,450
Auditor's remuneration - non audit	1,750	1,750
	<u>104,576</u>	<u>113,051</u>

LETHBRIDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,239,701	1,235,310
Social security costs	95,043	91,843
Operating costs of defined benefit pension schemes	341,401	297,361
	<u>1,676,145</u>	<u>1,624,514</u>
Supply teacher costs	6,859	12,564
	<u><u>1,683,004</u></u>	<u><u>1,637,078</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	21	22
Educational Support	28	30
Administration and Clerical	44	41
Management	3	3
	<u>96</u>	<u>96</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	15	17
Educational Support	16	18
Administration and Clerical	17	13
Management	3	3
	<u>51</u>	<u>51</u>

No employee received remuneration amounting to more than £60,000 in either year.

c. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not received remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the Academy Trust was £296,580 (2017: £325,756).

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

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an 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 other 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: L Mayes Remuneration £60,000 - £65,000 (2017: £55,000 - £60,000), Employer's Pension Contributions £10,000 - £15,000 (2017: £5,000 - £10,000); T Moran Remuneration £30,000 - £35,000 (2017: £35,000 - £40,000), Employer's Pension Contributions £5,000 - £10,000 (2017: £5,000 - £10,000); C Webb Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000), Employer's Pension Contributions £5,000 - £10,000 (2017: £5,000 - £10,000); C Chew Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000), Employer's Pension Contributions £5,000 - £10,000 (2017: £5,000 - £10,000); C Harmer Remuneration £45,000 - £50,000 (2017: £Nil), Employer's Pension Contributions £5,000 - £10,000 (2017: £Nil); C Short Remuneration £45,000 - £50,000 (2017: £Nil), Employer's Pension Contributions £5,000 - £10,000 (2017: £Nil).

During the year ended 31 August 2018, expenses totalling £964 (2017: £1,129) were reimbursed to 2 Trustees (2017: 1).

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Furniture and fixtures £	Plant and equipment £	Total £
COST				
At 1 September 2017	3,905,745	139,819	127,917	4,173,481
Additions	129,658	11,800	-	141,458
At 31 August 2018	4,035,403	151,619	127,917	4,314,939
DEPRECIATION				
At 1 September 2017	367,898	78,127	85,878	531,903
Charge for the year	66,612	20,019	10,645	97,276
At 31 August 2018	434,510	98,146	96,523	629,179
NET BOOK VALUE				
At 31 August 2018	3,600,893	53,473	31,394	3,685,760
At 31 August 2017	3,537,847	61,692	42,039	3,641,578

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

14. DEBTORS

	2018 £	2017 £
Trade debtors	3,069	-
VAT recoverable	10,914	12,166
Prepayments and accrued income	52,475	48,596
	<u>66,458</u>	<u>60,762</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other loans	3,273	3,600
Other taxation and social security	23,421	23,849
Other creditors	29,193	29,491
Accruals and deferred income	124,310	74,198
	<u>180,197</u>	<u>131,138</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	58,801	52,490
Resources deferred during the year	47,604	58,801
Amounts released from previous years	(58,801)	(52,490)
Deferred income at 31 August 2018	<u>47,604</u>	<u>58,801</u>

The deferred income at the year end consists of universal infant free school meals and money received in advance for school trips which relates to the 2018/19 academic year.

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

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Other loans	42,554	45,622

Included within the above are amounts falling due as follows:

	2018 £	2017 £
BETWEEN ONE AND TWO YEARS		
Other loans	3,273	3,494
BETWEEN TWO AND FIVE YEARS		
Other loans	9,820	10,482
OVER FIVE YEARS		
Other loans	29,461	31,646

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	29,461	31,646

The Equal Pay loan relates to amounts due to Swindon Unitary Authority in respect of an equal pay claim which arose prior to conversion to an Academy. The total amount due is unsecured and repayable in annual instalments of £5,288 (2017: £5,288) over 15 years. Interest is being charged at a rate of 4.93% per annum. The total amount outstanding at the year end was £45,827 (2017: £49,222).

17. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	251,981	325,200
Financial assets measured at amortised cost	25,490	24,088
	277,471	349,288
Financial liabilities measured at amortised cost	79,979	64,619

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

Financial assets measured at amortised cost comprise accrued income and trade debtors.

Financial liabilities measured at amortised cost comprise accruals and the equal pay loan.

LETHBRIDGE PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	156,997	62,203	(77,685)	-	-	141,515
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	1,558,665	(1,527,689)	(30,976)	-	-
High Needs	-	112,271	(112,271)	-	-	-
Pupil Premium	-	55,005	(55,005)	-	-	-
Other Restricted Funds	-	115,198	(115,198)	-	-	-
Other DfE/EFA Income	-	42,705	(42,705)	-	-	-
Equal pay loan	(49,222)	-	-	3,395	-	(45,827)
Universal infant free school meals	-	67,390	(67,390)	-	-	-
Pension reserve	(434,000)	-	(115,000)	-	288,000	(261,000)
	(483,222)	1,951,234	(2,035,258)	(27,581)	288,000	(306,827)
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	3,380,379	-	(72,894)	-	-	3,307,485
Fixed assets purchased from GAG	51,911	-	(6,795)	27,581	-	72,697
DfE/EFA Capital grants	160,008	-	(4,680)	-	-	155,328
Capital rollover brought forward	109,511	-	(6,584)	-	-	102,927
Devolved formula capital	21,434	-	(5,118)	-	-	16,316
Donations	17,498	12,450	(1,205)	-	-	28,743
Insurance receipts	2,264	-	-	-	-	2,264
	3,743,005	12,450	(97,276)	27,581	-	3,685,760
Total restricted funds	3,259,783	1,963,684	(2,132,534)	-	288,000	3,378,933
Total of funds	3,416,780	2,025,887	(2,210,219)	-	288,000	3,520,448

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

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

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

18. STATEMENT OF FUNDS (continued)

Pupil Premium - This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other ESFA Grants - Includes PE Grant which represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General funds	185,018	56,867	(84,888)	-	-	156,997
RESTRICTED FUNDS						
General Annual Grant (GAG)	808	1,577,237	(1,541,192)	(36,853)	-	-
High Needs	-	96,640	(96,640)	-	-	-
Pupil Premium	-	52,142	(52,142)	-	-	-
Other Restricted Funds	-	110,785	(110,785)	-	-	-
Other DfE/EFA Income	-	10,075	(10,075)	-	-	-
Equal pay loan	(52,617)	-	-	3,395	-	(49,222)
Universal infant free school meals	-	76,038	(76,038)	-	-	-
Pension reserve	(891,000)	-	(96,000)	-	553,000	(434,000)
	<u>(942,809)</u>	<u>1,922,917</u>	<u>(1,982,872)</u>	<u>(33,458)</u>	<u>553,000</u>	<u>(483,222)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	3,453,273	-	(72,894)	-	-	3,380,379
Fixed assets purchased from GAG	33,823	-	(15,370)	33,458	-	51,911
DfE/EFA Capital grants	155,243	9,445	(4,680)	-	-	160,008
Capital rollover brought forward	8,135	106,494	(5,118)	-	-	109,511
Devolved formula capital	28,018	-	(6,584)	-	-	21,434
Donations	11,388	7,315	(1,205)	-	-	17,498
Insurance receipts	2,264	-	-	-	-	2,264
	<u>3,692,144</u>	<u>123,254</u>	<u>(105,851)</u>	<u>33,458</u>	<u>-</u>	<u>3,743,005</u>
Total restricted funds	<u>2,749,335</u>	<u>2,046,171</u>	<u>(2,088,723)</u>	<u>-</u>	<u>553,000</u>	<u>3,259,783</u>
Total of funds	<u>2,934,353</u>	<u>2,103,038</u>	<u>(2,173,611)</u>	<u>-</u>	<u>553,000</u>	<u>3,416,780</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,685,760	3,685,760
Current assets	141,515	176,924	-	318,439
Creditors due within one year	-	(180,197)	-	(180,197)
Creditors due in more than one year	-	(42,554)	-	(42,554)
Pension scheme liability	-	(261,000)	-	(261,000)
	<u>141,515</u>	<u>(306,827)</u>	<u>3,685,760</u>	<u>3,520,448</u>

LETHBRIDGE PRIMARY SCHOOL
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	3,641,578	3,641,578
Current assets	156,997	127,538	101,427	385,962
Creditors due within one year	-	(131,138)	-	(131,138)
Creditors due in more than one year	-	(45,622)	-	(45,622)
Provisions for liabilities and charges	-	(434,000)	-	(434,000)
	<u>156,997</u>	<u>(483,222)</u>	<u>3,743,005</u>	<u>3,416,780</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(184,332)	(70,573)
Adjustment for:		
Depreciation charges	97,276	105,851
Interest received	(166)	(198)
Increase in debtors	(5,696)	(13,758)
Increase in creditors	49,386	5,213
Capital grants from DfE and other capital income	(12,450)	(115,939)
Defined benefit pension scheme cost less contributions payable	103,000	77,000
Defined benefit pension scheme finance cost	12,000	19,000
Net cash provided by operating activities	<u>59,018</u>	<u>6,596</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	251,981	325,200
	<u>251,981</u>	<u>325,200</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018	2017
	£	£
Contracted for but not provided in these financial statements	-	101,422

Capital commitments at 31 August 2017 related to the refurbishment of the school toilets which was completed during the year. There were no such commitments at 31 August 2018.

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

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire 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.

Contributions amounting to £28,818 were payable to the schemes at 31 August 2018 (2017: £28,867) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (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

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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £87,219 (2017: £85,890).

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).

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23. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £151,000 (2017: £135,000), of which employer's contributions totalled £121,000 (2017: £107,000) and employees' contributions totalled £30,000 (2017: £28,000). The agreed contribution rates for future years are 24.5% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5 years	22.5 years
Females	24.9 years	24.9 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.7 years

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,114,000	927,000
Bonds	220,000	183,000
Property	204,000	170,000
Cash and other liquid assets	31,000	26,000
	<u>1,569,000</u>	<u>1,306,000</u>
Total market value of assets	<u>1,569,000</u>	<u>1,306,000</u>

The actual return on scheme assets was £[enter amount] (2017: £[enter amount]).

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

	2018 £	2017 £
Current service cost	(224,000)	(184,000)
Interest income	34,000	23,000
Interest cost	(46,000)	(42,000)
	<u>(236,000)</u>	<u>(203,000)</u>
Total	<u>(236,000)</u>	<u>(203,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,739,000	1,902,000
Current service cost	224,000	184,000
Interest cost	46,000	42,000
Employee contributions	30,000	28,000
Actuarial gains	(195,000)	(415,000)
Benefits paid	(14,000)	(2,000)
	<u>1,830,000</u>	<u>1,739,000</u>
Closing defined benefit obligation	<u>1,830,000</u>	<u>1,739,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,305,000	1,011,000
Interest income	34,000	23,000
Actuarial losses	93,000	138,000
Employer contributions	121,000	107,000
Employee contributions	30,000	28,000
Benefits paid	(14,000)	(2,000)
	<u>1,569,000</u>	<u>1,305,000</u>
Closing fair value of scheme assets	<u>1,569,000</u>	<u>1,305,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	5,428	5,428
Between 1 and 5 years	-	5,428
Total	<u>5,428</u>	<u>10,856</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year.

26. CONTROLLING PARTY

The Company is under joint control of the Trustees and therefore there is no ultimate controlling party.

27. 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.