

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

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**MONTACUTE SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Stephen Butterworth  
Pamela Henderson  
Alison Dalton

**Trustees**

Alison Dalton, Parent Governor<sup>1</sup>  
Marcia Osborn, Staff Governor (resigned 30 September 2019)<sup>2</sup>  
Jill Owen, Headteacher and Accounting Officer (resigned 31 August 2019)<sup>1,2</sup>  
Stephen Butterworth, Chair of Governors<sup>1</sup>  
Avril Jackson, Community Governor<sup>2</sup>  
Nicola Keynes, Community Governor (resigned 19 May 2019)<sup>1</sup>  
Jane Shaw, Community Governor (resigned 8 May 2019)<sup>2</sup>  
Paul Collins, Community Governor<sup>1</sup>  
Janice Foster, Community Governor<sup>2</sup>  
Beverley Gowman, Community Governor<sup>2</sup>  
Susan Watts, Community Governor (resigned 5 September 2019)<sup>1</sup>  
Wendy Byers (appointed 10 December 2018)  
Ruth Drewett (appointed 1 September 2019)  
Patricia Hallmey (appointed 3 July 2019)  
Ann Holland (appointed 1 October 2019)  
Tracey Smith (appointed 10 December 2018)

<sup>1</sup> Members of the Resources Committee

<sup>2</sup> Members of the Standards Committee

**Company registered number**

07724780

**Company name**

Montacute School

**Principal and registered office**

3 Canford Heath Road, Poole, Dorset, BH17 9NG

**Senior management team**

Jill Owen, Headteacher  
Marcia Osborn, Inclusion Coordinator  
Rachel Holland, Leadership Support Coordinator  
Tracey Smith, Parent Partner/Safeguarding  
Ruth Drewett, Deputy Headteacher

**Independent auditors**

James Cowper Kreston, 9th Floor, The White Building, 1-4 Cumberland Place, Southampton, Hampshire, SO15 2NP

**MONTACUTE SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Bankers**

Lloyds Bank Plc, 25 Gresham Street, London, EC2V 7HN

**Solicitors**

Browne Jacobson, Victoria Square House, Victoria Square, Birmingham, B2 4BU

**MONTACUTE SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 2 to 19 serving a catchment area in north Poole, Bournemouth and East Dorset. It has a pupil capacity of 80 and had a roll of 85 in the school census of January 2019.

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of Montacute School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Montacute School.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

**d. Method of recruitment and appointment or election of Trustees**

The Members may appoint one Governor save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Headteacher).

The Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Governor(s) shall be elected by parents of registered pupils at the Special Academy. A parent Governor must be a parent of a pupil at the Special Academy at the time when he is elected.

The Governing Body shall make all necessary arrangement for, and determine all other matters relating to, an election of Parent Governors, including any questions of whether a person is a parent of a registered pupil at the Special Academy. Any election of Parent Governors, which is contested, shall be held by secret ballot.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Special Academy.

Further appointments may be made to the position of Trustee/Governor as the Trustees decided is necessary. This may be for the duration of a project or for a fixed term. None were appointed on this basis during this period.

**e. Policies adopted for the induction and training of Trustees**

Trustees are inducted by having a mentor from among the governing body to support and guide them. The Governing Body commissions Dorset Governor Services to provide training. It has also commissioned some bespoke training on the governor competency framework within the last year.

During the period some courses carried out in the academy, primarily for staff, were attended by some of the Trustees, as well as governors' attendance at courses run by the Local Authority's Governor Services to which we subscribe. Governors also attended two Away Days in order to appraise themselves of new systems of assessment and recording devised by the school. This enabled them to more effectively monitor the school's performance and evidence their findings

**f. Organisational structure**

The Strategic Leadership Team in place for the period consisted of a Headteacher, Deputy Headteacher and Assistant Head. The Leadership and Management Team also included a Leadership Support Officer and Parent Partner. The aim of the structure was to increase accountability and to encourage involvement in decision making at all levels. The Headteacher of the Academy is the Chief Accounting Officer,

The Leadership and Management Team of the School is responsible for delivering the approved strategic actions of the middle term plan by the Trustees while setting up and managing the annual development priorities.

The governors have 2 main committees: -

**The Standards Committee** This committee is responsible for ensuring that governors monitor the quality of education provided by the school (by monitoring the delivery of the curriculum and that children are making good progress), that the health and wellbeing of students and staff has a prominent place in governor considerations, and that safeguarding measures are in place and effective across the school and other settings where students work.

**The Resources Committee** This committee is responsible for ensuring that governors monitor the quality of education provided by the school (by monitoring the delivery of the Curriculum and that children are making good progress), that the health and wellbeing of students and staff has a prominent place in governor considerations, and that safeguarding measures are in place and effective across the school and other settings where students work.

**g. Arrangements for setting pay and remuneration of key management personnel**

The academy has a Pay Policy, which describes its intention to work to the STPCD as far as is practical and affordable. Appointments of the school's leadership team and senior staff are currently made in accordance with STPCD and with the advice on national pay scales.

The academy currently employs the following Trustees, Jill Owen, Headteacher, Marcia Osborn, Assistant Headteacher and Tracey Smith

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**h. Trade union facility time**

No employees were relevant union officials during the year.

**Objectives and activities**

**a. Objects and aims**

The Trust was set up in 2011 to advance, for public benefit, education in the UK by establishing, maintaining and developing the Montacute Special School Academy. The Academy offers a broad, balanced and relevant curriculum, designed and delivered around the specific needs of the children and young people who attend. The Academy also supports the needs of families where possible and congruent with the education and wellbeing of the children and young people on roll.

**b. Objectives, strategies and activities**

- All groups of pupils to make expected or better than expected progress,
- Maintain strong monitoring systems to enable leaders to have an accurate awareness of the quality of teaching and how well individual pupils are progressing. Ensure effective action is taken quickly when improvements are needed.
- Continue to strengthen the curriculum in order to meet the specific special educational needs of all pupils,
- Ensure pupils work towards achieving their own targets, based on a full assessment of current needs. Therapists and the school nurse/medical administrator support class staff to help pupils meet these targets.
- Maintain and strengthen the existing good links with local schools. This enables pupils to work and play regularly alongside their mainstream peers and gives staff opportunities to train with other teachers.
- Continue the work that has significantly decreased the frequency of challenging behaviour.
- Ensure pupils enjoy school and feel safe.
- Governors to continue to play a valuable part in the running of the school, regularly checking that safeguarding procedures are effective.
- Continue to ensure that the early years is well managed. Children benefit from a carefully planned start to school which helps them quickly settle in and make progress.
- Post-16 students to take part in a good range of studies which prepare them well for adulthood.
- Improve and further develop the school's approach to assessment to ensure that judgements for the most able pupils are always accurate.
- Leaders to further develop the support of pupils' mental health needs.

**c. Public benefit**

The Trust has considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the Trust is the provision of a high quality of education to its students. Additionally, since the opening of the swimming pool, which is part of the new school building, the school welcomes swim groups including disabled clubs onto its site every day.

Montacute Academy has planned places for 75 pupils and currently educates 81, all of whom have Complex Learning Difficulties & Disabilities.

The school has a good working atmosphere, and all in school are committed to this as the foundation for the learning and pastoral partnership. The school is family-friendly within a context of hard and focused work, dedicated to meeting the pupils' and parents' needs. A personalised approach is the core to the pedagogy at Montacute.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

At Montacute, pupils are educated in a very inclusive way, both within their own school and using opportunities created in partner schools. Our host local authority, Poole, relies upon the Academy for extensive training and outreach work with mainstream schools.

A person-centred planning approach is used for pupil review meetings. The Academy works with partner agencies to ensure pupils' needs are met holistically, both at school and when young people finally move on to their destinations as young adults

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

In July 2019 91% (78) of our pupils (86) made an average of expected or above expected progress over the year. We have continued to implement our rigorous monitoring and recording systems that we have developed over the last 4 years. Triangulation of information gathered about students' progress from Pupil Progress meetings, monitoring, Learning Walks and data has continued to keep us informed of where individuals are achieving or under achieving. This system highlights those pupils who are under achieving early on in the school year, enabling us to apply suitable strategies and interventions to support and provide our students with the best opportunities to make Expected or Above Expected progress.

**Destinations for Montacute Leavers**

• Bournemouth and Poole College	1
• Kingston Maurward	1
• The Sheiling	1
• Bespoke Package	2
• EmployMyAbility; Moreton	1

**Accreditations**

- 48 ASDAN modules achieved
- 18 students gained ASDAN awards
- 9 Students gained a Bronze Duke of Edinburgh award
- 2 Students gained Gold Residential Duke of Edinburgh award

During the year ended 31 August 2019 the total resources expended of £2,987,146 (2018: £2,793,885) was largely covered by grants from the DFE and other income, such as voluntary income, other trading activities and a small amount of investment income. The surplus of income over expenditure for the year was £139,798 (2018 surplus - £103,167).

**b. 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 they continue 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 accounting policies.



**MONTACUTE SCHOOL**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

**a. Financial review**

During the financial year ended 31 August 2019 the Academy received Grant Income of £2,601,119 from the Education and Skills Funding Agency and the Local Authorities from which we draw our students and non-grant Income of £109,703. Expenditure for the period totalled £2,987,146. The Academy will be carrying forward restricted funds of £587,895 and unrestricted funds of £200,904.

**b. Reserves policy**

The Trustees have reserves amounting to £788,799 (excluding fixed assets and the pension deficit) to mitigate against unforeseen financial occurrences. This amount is limited by the current economic climate where our income is subject to reduction and the turbulence in our income caused by the fluctuation in pupil numbers now that funding follows the student. It is the intention of the Trustees to review this annually and to increase reserves whenever possible in line with the review of risk by our Audit Committee.

The Academy Trust has fixed asset funds of £6,726,777 and reserves available (excluding pension deficit) of £788,799 of which £61,497 is Amenity Account to be carried forward to 18/19.

This level of reserves is deliberately maintained and considered appropriate. in order to ensure healthy 3-year budget planning. The level of reserves is reviewed on an annual basis.

**c. Investment policy**

The Academy holds reserves and accounts at Lloyds Bank and incurs no current account charges. The Academy has placed daily balances on Treasury Deposit overnight in order to maximize our returns without risk.

**d. Principal risks and uncertainties**

The Governors have an Audit Committee which regularly reviews and considers the risks to which the Academy is exposed. The main risk remains the Government's current funding mechanism and the prevailing economic climate. It recommends actions accordingly to the Headteacher.

The Academy has continued to monitor and develop its staffing Structure. Over the next few years, the school plans to further invest in its new middle leaders and give those staff who wish to move forward in their career, clear pathways for how to progress, whether formally through promotion or informally by taking on a specialised role. This is part of an on-going strategy to ensure that staff have the necessary skills and knowledge that would enable them to step up into Senior leadership roles if needed.

Governors have instigated conversations around staffing roles and other risks related to staffing with the head teacher, they are ongoing, There will be further staffing structure discussions.

We are actively looking at opportunities to forge closer links with other schools by looking at models of association that will result in stability in the current economic climate and positive outcomes for our pupils now and into the future.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Fundraising**

The approach to fundraising is as follows:

- A fundraiser is employed to organise and co-ordinate all such activity initiated by the academy trust
- Not to use commercial participators / professional fundraisers
- Ensure fundraising conforms to recognised standards
- Wherever possible be aware of, approve and monitor fundraising carried out on its behalf
- Fundraising complaints are handled by the head teacher in the first instance, with governor involvement if no satisfactory resolution.
- To ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

**Plans for future periods**

Montacute wants to be an outstanding resource for its children and young people and work to improve their life outcomes by being a SEND centre of excellence with a high level of personalisation for its learners and an aspiration of supporting them well into their adult lives. It will do this by developing the expertise of staff and providing an enriching curriculum underpinned by secure assessment processes. It will seek to continue to develop its links into the surrounding community through relationships with employers and classrooms situated in mainstream schools. It will work with its partner special schools to ensure sharing and innovation for the benefit of all learners with SEND.


Although the current financial climate calls for prudent development, the school has a history of looking outwards and looking forwards in order to remain ambitious for its pupils, and it will continue to watch the local scene – with merging local authorities – closely so that it can be sure to remain very relevant in supporting the needs of local children and young people. It will remain open to exploring opportunities with partners and believes strongly in the importance of partnership working.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all 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 Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, and signed on its behalf by:

  
.....  
Stephen Butterworth  
Chair of Trustees  
Date: 9/12/19

**MONTACUTE SCHOOL**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Montacute 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 Montacute 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 5 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
Alison Dalton, Parent Governor	4	5
Marcia Osborn, Staff Governor	4	5
Jill Owen, Headteacher and Accounting Officer	5	5
Stephen Butterworth, Chair of Governors	4	5
Avril Jackson, Community Governor	3	5
Nicola Keynes, Community Governor	2	3
Jane Shaw, Community Governor	3	3
Paul Collins, Community Governor	3	5
Janice Foster, Community Governor	4	5
Beverley Gowman, Community Governor	3	5
Susan Watts, Community Governor	3	5
Wendy Byers	3	4
Ruth Drewett	0	0
Patricia Hallmey	1	1
Ann Holland	0	0
Tracey Smith	3	4

During the year, Community Governors Jane Shaw and Nicola Keynes saw their terms of office expired on 18 May 2019. Headteacher Governor, Jill Owen retired on 31 August 2019.

Tracey Smith was appointed as Staff Governor on 07 December 2018. Wendy Byers was appointed as Community Governor on 10 December 2018. Patricia Hallmey was appointed as Community Governor on 03 July 2019.

**Standards committee**

This Standards committee is responsible for ensuring that the governors monitor the quality of education provided by the school (by monitoring the delivery of the curriculum and that children are making good progress), that the health and wellbeing of students and staff has a prominent place in governor considerations, and that safeguarding measures are in place and effective across the school and other settings where students work.

**MONTACUTE SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jane Shaw (retired 19 May 2019)	2	2
Jill Owen (retired 31 August 2019)	3	3
Avril Jackson Vice Chair of Governors	2	3
Marcia Osborn	3	3
Janice Foster	3	3
Beverly Gowman	2	3
Wendy Byers (appointed 10 December 2018)	2	2

**Resources Committee**

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to take responsibility for ensuring the school's finances are well managed, that we have sufficient staff, and as the Governors employ the staff, that all legal obligations of being an employer are carried out. We also carry a responsibility to make sure the building is maintained well and fit for our students to use. Attendance at meetings in the year was as follows:

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Nicola Keynes (retired 19 May 2019)	2	3
Jill Owen (retired 31 August 2019)	5	5
Stephen Butterworth Chair of Governors	4	5
Alison Dalton	5	5
Paul Collins	3	5
Susan Watts	3	5
Tracey Smith (appointed 07 December 2018)	1	2

**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.

**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 on-going 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 Montacute School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**MONTACUTE SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

The academy'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 and General Purposes 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 [select option below]

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- petty cash
- income
- unofficial find

On a quarterly basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Trustees are pleased to report that there were no major problems uncovered by the RO and any minor queries were easily explained by the school's finance officer and rectified if necessary.

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

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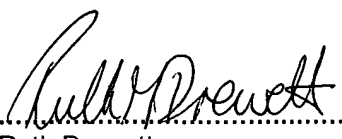
**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness (continued)**

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on and signed on their behalf by:

  
.....  
Stephen Butterworth  
Chair of Trustees  
Date: 9/12/19

  
.....  
Ruth Drewett  
Accounting Officer  
Date: 9.12.19

**MONTACUTE SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Montacute School I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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

.....

**Ruth Drewett**  
Accounting Officer

Date: 9.12.19

**MONTACUTE SCHOOL**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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:

  
.....  
**Stephen Butterworth**  
Chair of Trustees  
Date: 9/12/19



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

**Opinion**

We have audited the financial statements of Montacute School (the 'academy') for the year ended 31 August 2019 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MONTACUTE SCHOOL (CONTINUED)**

**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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MONTACUTE SCHOOL (CONTINUED)**

**Responsibilities of trustees**

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

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

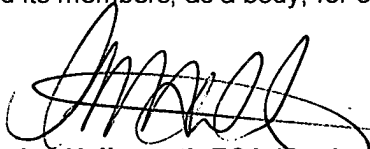
**Auditors' responsibilities for the audit of the financial statements**

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

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

**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.



**Louise Hallsworth FCA (Senior statutory auditor)**

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

9th Floor

The White Building

1-4 Cumberland Place

Southampton

Hampshire

SO15 2NP

Date: 17/12/2019

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
MONTACUTE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Montacute School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Montacute School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Montacute School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
MONTACUTE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

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



**James Cowper Kreston**  
9th Floor  
The White Building  
1-4 Cumberland Place  
Southampton  
Hampshire  
SO15 2NP

Date: 17/12/2019

**MONTACUTE SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
<b>Income from:</b>						
Donations and capital grants	3	-	16,335	17,097	33,432	77,332
Charitable activities	4	-	2,584,022	-	2,584,022	2,317,170
Other trading activities	5	88,811	2,231	-	91,042	100,633
Investments	6	2,326	-	-	2,326	1,290
<b>Total income</b>		<b>91,137</b>	<b>2,602,588</b>	<b>17,097</b>	<b>2,710,822</b>	<b>2,496,425</b>
<b>Expenditure on:</b>						
Raising funds	7	63,977	-	-	63,977	50,597
Charitable activities	7	-	2,733,759	189,410	2,923,169	2,743,258
<b>Total expenditure</b>		<b>63,977</b>	<b>2,733,759</b>	<b>189,410</b>	<b>2,987,146</b>	<b>2,793,855</b>
<b>Net income/(expenditure)</b>		<b>27,160</b>	<b>(131,171)</b>	<b>(172,313)</b>	<b>(276,324)</b>	<b>(297,430)</b>
Transfers between funds	16	(10,191)	-	10,191	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>16,969</b>	<b>(131,171)</b>	<b>(162,122)</b>	<b>(276,324)</b>	<b>(297,430)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	21	-	(340,000)	-	(340,000)	461,000
<b>Net movement in funds</b>		<b>16,969</b>	<b>(471,171)</b>	<b>(162,122)</b>	<b>(616,324)</b>	<b>163,570</b>
<b>Reconciliation of funds:</b>						
Funds brought forward		183,935	(1,781,934)	6,888,899	5,290,900	5,127,330
Net movement in funds		16,969	(471,171)	(162,122)	(616,324)	163,570
<b>Funds carried forward</b>		<b>200,904</b>	<b>(2,253,105)</b>	<b>6,726,777</b>	<b>4,674,576</b>	<b>5,290,900</b>

The Statement of financial activities includes all gains and losses recognised in the year.

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07724780**

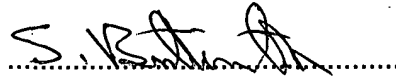
**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	6,726,777	6,871,819
		<u>6,726,777</u>	<u>6,871,819</u>
<b>Current assets</b>			
Debtors	14	78,097	109,340
Cash at bank and in hand		817,826	752,204
		<u>895,923</u>	<u>861,544</u>
Creditors: amounts falling due within one year	15	(107,124)	(195,463)
<b>Net current assets</b>		<u>788,799</u>	<u>666,081</u>
<b>Total assets less current liabilities</b>		<u>7,515,576</u>	<u>7,537,900</u>
<b>Net assets excluding pension liability</b>		<u>7,515,576</u>	<u>7,537,900</u>
Defined benefit pension scheme liability	21	(2,841,000)	(2,247,000)
<b>Total net assets</b>		<u><u>4,674,576</u></u>	<u><u>5,290,900</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	6,726,777	6,888,899
Restricted income funds	16	587,895	465,066
		<u>7,314,672</u>	<u>7,353,965</u>
Restricted funds excluding pension asset	16	7,314,672	7,353,965
Pension reserve	16	(2,841,000)	(2,247,000)
<b>Total restricted funds</b>	16	<u>4,473,672</u>	<u>5,106,965</u>
<b>Unrestricted income funds</b>	16	200,904	183,935
<b>Total funds</b>		<u><u>4,674,576</u></u>	<u><u>5,290,900</u></u>

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

The financial statements on pages 20 to 45 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



**Stephen Butterworth**

Chair of Trustees

Date: 9/12/19

The notes on pages 24 to 45 form part of these financial statements.



**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	107,664	123,842
<b>Cash flows from investing activities</b>	19	(42,042)	(33,151)
<b>Change in cash and cash equivalents in the year</b>		65,622	90,691
Cash and cash equivalents at the beginning of the year		752,204	661,513
<b>Cash and cash equivalents at the end of the year</b>	20	<u>817,826</u>	<u>752,204</u>

The notes on pages 24 to 45 form part of these financial statements

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

Montacute School meets the definition of a public benefit entity under FRS 102.

**1.2 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Other income**

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

**1.4 Expenditure**

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Tangible fixed assets**

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- Straight line over 50 years (buildings only)
Fixtures and fittings	- 15% Straight line
Motor vehicles	- 25% Straight line
Computer equipment	- 20% 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.

**1.7 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 Part 11, chapter 3 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.

**1.8 Cash at bank and in hand**

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

**1.9 Liabilities and provisions**

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

**MONTACUTE SCHOOL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.10 Financial instruments**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases 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'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 cost as detailed in note 15. 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 instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.11 Pensions**

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

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

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

**1.12 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 24.

**MONTACUTE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**3. Income from donations and capital grants**

	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	16,335	-	<b>16,335</b>	70,747
Capital grants	-	17,097	<b>17,097</b>	6,585
	<u>16,335</u>	<u>17,097</u>	<u><b>33,432</b></u>	<u>77,332</u>
Total 2018	<u>70,747</u>	<u>6,585</u>	<u>77,332</u>	

**MONTACUTE SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the academy's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General annual grants	810,249	<b>810,249</b>	768,445
Other Dfe/ESFA grants	49,454	<b>49,454</b>	42,147
	<u>859,703</u>	<u><b>859,703</b></u>	<u>810,592</u>
<b>Local authority funding</b>			
Local authority grants	1,724,319	<b>1,724,319</b>	1,506,578
	<u>1,724,319</u>	<u><b>1,724,319</b></u>	<u>1,506,578</u>
	<u><u>2,584,022</u></u>	<u><u><b>2,584,022</b></u></u>	<u><u>2,317,170</u></u>

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Catering income	8,088	-	<b>8,088</b>	9,111
Swimming pool income	58,601	-	<b>58,601</b>	61,221
Other income	22,122	2,231	<b>24,353</b>	30,301
	<u>88,811</u>	<u>2,231</u>	<u><b>91,042</b></u>	<u>100,633</u>
Total 2018	<u><u>82,648</u></u>	<u><u>17,985</u></u>	<u><u>100,633</u></u>	

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest revceivable	<u>2,326</u>	<u><b>2,326</b></u>	<u>1,290</u>

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**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Expenditure on raising voluntary income:					
Direct costs	10,494	-	53,483	<b>63,977</b>	50,597
Educational operations:					
Direct costs	1,998,854	131,419	196,505	<b>2,326,778</b>	2,225,003
Support costs	297,045	193,474	105,872	<b>596,391</b>	518,255
	<u>2,306,393</u>	<u>324,893</u>	<u>355,860</u>	<u><b>2,987,146</b></u>	<u>2,793,855</u>
Total 2018	<u>2,204,256</u>	<u>232,391</u>	<u>357,208</u>	<u>2,793,855</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Cost allocation	<u>2,326,778</u>	<u>596,391</u>	<u><b>2,923,169</b></u>	<u>2,743,258</u>
Total 2018	<u>2,225,003</u>	<u>518,255</u>	<u>2,743,258</u>	



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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance cost	42,780	46,367
Staff costs	1,992,005	1,911,302
Depreciation	131,419	131,419
Technology costs	24,973	15,701
Educational supplies	47,160	26,451
Staff development	85,718	88,580
Other direct costs	2,723	5,183
	<b>2,326,778</b>	<b>2,225,003</b>

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance cost	14,220	14,633
Staff costs	297,045	276,830
Depreciation	57,991	56,204
Technology costs	9,858	6,932
Other support costs	61,236	37,961
Recruitment and support	2,727	5,167
Maintenance of premises and equipment	53,061	23,045
Cleaning	15,702	13,218
Rent & rates	17,286	16,067
Energy costs	47,834	47,142
Insurance	1,600	1,659
Security and transport	7,813	7,088
Auditors remuneration	4,600	6,420
Accountancy fees	1,750	4,871
Bank charges	173	24
Governors training	3,495	994
	<b>596,391</b>	<b>518,255</b>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

During the year ended 31 August 2019, the academy incurred the following Governance costs (including Auditors remuneration): £7,680 (2018 - £7,414) included within the table above in respect of Educational Operations.

**9. Net expenditure**

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	189,410	187,623
Fees paid to auditors for:		
- audit	4,600	4,500
- other services	1,750	1,650
	<u>189,410</u>	<u>187,623</u>

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,684,021	1,647,142
Social security costs	117,918	110,131
Pension costs	466,770	446,983
	<u>2,268,709</u>	<u>2,204,256</u>
Staff restructuring costs	37,684	-
	<u>2,306,393</u>	<u>2,204,256</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	37,684	-
	<u>37,684</u>	<u>-</u>

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**10. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2019 No.</b>	2018 No.
Teachers	<b>14</b>	13
Administration and support	<b>78</b>	79
Management	<b>5</b>	6
	<u><b>97</b></u>	<u>98</u>

**c. Higher paid staff**

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

	<b>2019 No.</b>	2018 No.
In the band £60,001 - £70,000	<b>1</b>	1
In the band £80,001 - £90,000	<b>1</b>	1
	<u><b>1</b></u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 employer's contributions for these members of staff amounted to £24,471 (2018 : £24,008).

**d. Key management personnel**

The key management personnel of the academy trust comprise of trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £305,260 (2018 : £363,638).

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**11. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Jill Owen (Headteacher)	Remuneration	80,000 -	80,000 -
		85,000	85,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Marcia Osborn (Staff Governor)	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
Agnete Hansen (Staff Trustee)	Remuneration		15,000 -
			20,000
	Pension contributions paid		0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Furniture and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	7,121,391	84,490	248,819	45,864	7,500,564
Additions	-	-	39,703	4,665	44,368
At 31 August 2019	<u>7,121,391</u>	<u>84,490</u>	<u>288,522</u>	<u>50,529</u>	<u>7,544,932</u>
<b>Depreciation</b>					
At 1 September 2018	394,257	71,240	130,634	32,614	628,745
Charge for the year	131,419	13,250	37,553	7,188	189,410
At 31 August 2019	<u>525,676</u>	<u>84,490</u>	<u>168,187</u>	<u>39,802</u>	<u>818,155</u>
<b>Net book value</b>					
At 31 August 2019	<u>6,595,715</u>	<u>-</u>	<u>120,335</u>	<u>10,727</u>	<u>6,726,777</u>
At 31 August 2018	<u>6,727,134</u>	<u>13,250</u>	<u>118,185</u>	<u>13,250</u>	<u>6,871,819</u>

**14. Debtors**

	2019 £	2018 £
Trade debtors	4,138	13,668
VAT recoverable	3,839	11,272
Prepayments and accrued income	70,120	84,400
	<u>78,097</u>	<u>109,340</u>

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**15. Creditors: Amounts falling due within one year**

	<b>2019</b>	2018
	<b>£</b>	£
Trade creditors	<b>20,037</b>	43,903
Other taxation and social security	<b>28,672</b>	60,864
Other creditors	<b>35,041</b>	70,508
Accruals and deferred income	<b>23,374</b>	20,188
	<b>107,124</b>	195,463
	<b>2019</b>	2018
	<b>£</b>	£
Deferred income at 1 September 2018	<b>12,778</b>	20,031
Resources deferred during the year	<b>4,699</b>	12,778
Amounts released from previous periods	<b>(12,778)</b>	(20,031)
<b>Deferred income at 31 August 2019</b>	<b>4,699</b>	12,778

At the balance sheet date the academy was holding funds received in advance for Universal Infant Free School Meals Grant and other funding relating to the 2019/20 school year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	119,953	91,137	(61,492)	(10,191)	-	139,407
Amenity	63,982	-	(2,485)	-	-	61,497
	<u>183,935</u>	<u>91,137</u>	<u>(63,977)</u>	<u>(10,191)</u>	<u>-</u>	<u>200,904</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	364,355	810,249	(696,050)	-	-	478,554
Other DfE/ESFA Grants	-	49,454	(49,454)	-	-	-
Other government grants	-	1,724,319	(1,724,319)	-	-	-
Monty's Appeal	100,711	16,335	(7,705)	-	-	109,341
Other restricted income	-	2,231	(2,231)	-	-	-
Pension reserve	(2,247,000)	-	(254,000)	-	(340,000)	(2,841,000)
	<u>(1,781,934)</u>	<u>2,602,588</u>	<u>(2,733,759)</u>	<u>-</u>	<u>(340,000)</u>	<u>(2,253,105)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	6,888,899	17,097	(189,410)	10,191	-	6,726,777
<b>Total Restricted funds</b>	<u>5,106,965</u>	<u>2,619,685</u>	<u>(2,923,169)</u>	<u>10,191</u>	<u>(340,000)</u>	<u>4,473,672</u>
<b>Total funds</b>	<u>5,290,900</u>	<u>2,710,822</u>	<u>(2,987,146)</u>	<u>-</u>	<u>(340,000)</u>	<u>4,674,576</u>

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

**Unrestricted funds**

These funds are for the general use of the academy and may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

**Restricted funds**

The General Annual Grant (GAG) represents funding received from the ESFA during the year in order to fund the continuing activities of the academy.

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**16. Statement of funds (continued)**

Other Dfe/ESFA grants includes Pupil Premium for disadvantaged pupils. Local authority grants includes top up funding from the local authorities.

**Restricted fixed asset funds**

These funds are used for the purpose of buying or constructing fixed assets and include unspent capital grants of £Nil (2018: £17,080). The balance has been carried forward to pay for projects during the 2019/20 year.

**Transfers**

The transfers between funds represent tangible fixed assets purchased during the year out of non capital grants and donations.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.



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**16. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	84,037	82,601	(46,685)	-	-	119,953
Amenity	63,982	1,337	(1,337)	-	-	63,982
	<u>148,019</u>	<u>83,938</u>	<u>(48,022)</u>	<u>-</u>	<u>-</u>	<u>183,935</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	330,998	768,445	(728,235)	(6,853)	-	364,355
Other DfE/ESFA Grants	-	42,147	(42,147)	-	-	-
Other government grants	-	1,506,578	(1,506,578)	-	-	-
Monty's Appeal	66,817	70,747	(9,265)	(27,588)	-	100,711
Other restricted income	-	17,985	(17,985)	-	-	-
Pension reserve	(2,454,000)	-	(254,000)	-	461,000	(2,247,000)
	<u>(2,056,185)</u>	<u>2,405,902</u>	<u>(2,558,210)</u>	<u>(34,441)</u>	<u>461,000</u>	<u>(1,781,934)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	7,035,496	6,585	(187,623)	34,441	-	6,888,899
<b>Total Restricted funds</b>	<u>4,979,311</u>	<u>2,412,487</u>	<u>(2,745,833)</u>	<u>-</u>	<u>461,000</u>	<u>5,106,965</u>
<b>Total funds</b>	<u>5,127,330</u>	<u>2,496,425</u>	<u>(2,793,855)</u>	<u>-</u>	<u>461,000</u>	<u>5,290,900</u>

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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,726,777	<b>6,726,777</b>
Current assets	200,904	695,019	-	<b>895,923</b>
Creditors due within one year	-	(107,124)	-	<b>(107,124)</b>
Provisions for liabilities and charges	-	(2,841,000)	-	<b>(2,841,000)</b>
<b>Total</b>	<u>200,904</u>	<u>(2,253,105)</u>	<u>6,726,777</u>	<u><b>4,674,576</b></u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,871,819	6,871,819
Current assets	183,935	660,529	17,080	861,544
Creditors due within one year	-	(195,463)	-	(195,463)
Provisions for liabilities and charges	-	(2,247,000)	-	(2,247,000)
<b>Total</b>	<u>183,935</u>	<u>(1,781,934)</u>	<u>6,888,899</u>	<u>5,290,900</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	<b>(276,324)</b>	(297,430)
<b>Adjustments for:</b>		
Depreciation	<b>189,410</b>	187,623
Interest receivable	<b>(2,326)</b>	(1,290)
Defined benefit pension scheme finance cost	<b>254,000</b>	254,000
(Increase)/Decrease in debtors	<b>31,243</b>	(89,138)
(Decrease)/increase in creditors	<b>(88,339)</b>	70,077
<b>Net cash provided by operating activities</b>	<b>107,664</b>	123,842

**19. Cash flows from investing activities**

	2019 £	2018 £
Interest receivable	<b>2,326</b>	1,290
Purchase of tangible fixed assets	<b>(44,368)</b>	(34,441)
<b>Net cash used in investing activities</b>	<b>(42,042)</b>	(33,151)

**20. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>817,826</b>	752,204
<b>Total cash and cash equivalents</b>	<b>817,826</b>	752,204

**21. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teachers' 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 Dorset County Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £32,013 were payable to the schemes at 31 August 2019 (2018 - £61,952) and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Pension commitments (continued)**

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £115,640 (2018 - £103,094).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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**21. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £199,000 (2018 - £199,000), of which employer's contributions totalled £152,000 (2018 - £152,000) and employees' contributions totalled £ 47,000 (2018 - £47,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5-12.5 per cent for employees.

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

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.20	3.30

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	26.6	28.5

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**21. Pension commitments (continued)**

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

	<b>At 31 August 2019 £</b>	<b>At 31 August 2018 £</b>
Equities	1,241,000	1,187,000
Gilts	318,000	272,000
Property	254,000	220,000
Cash	63,000	20,000
Other bonds	173,000	150,000
Other assets	382,000	323,000
<b>Total market value of assets</b>	<b>2,431,000</b>	<b>2,172,000</b>

The actual return on scheme assets was £189,000 (2018 - £46,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2019 £</b>	<b>2018 £</b>
Current service cost	(347,000)	(343,000)
Past service cost	(40,000)	-
Interest income	59,000	53,000
Interest cost	(116,000)	(114,000)
Administrative expenses	(2,000)	(2,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(446,000)</b>	<b>(406,000)</b>

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

	<b>2019 £</b>	<b>2018 £</b>
<b>At 1 September</b>	<b>4,419,000</b>	<b>4,373,000</b>
Current service cost	307,000	343,000
Interest cost	116,000	114,000
Employee contributions	47,000	47,000
Actuarial losses/(gains)	470,000	(468,000)
Benefits paid	(127,000)	10,000
Past service costs	40,000	-
<b>At 31 August</b>	<b>5,272,000</b>	<b>4,419,000</b>

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**21. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,172,000</b>	1,919,000
Interest income	<b>59,000</b>	53,000
Actuarial gains/(losses)	<b>130,000</b>	(7,000)
Employer contributions	<b>152,000</b>	152,000
Employee contributions	<b>47,000</b>	47,000
Administrative expenses	<b>(2,000)</b>	(2,000)
Benefits paid	<b>(127,000)</b>	10,000
<b>At 31 August</b>	<b>2,431,000</b>	2,172,000

**22. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up 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.

**23. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**24. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £1,931 (2018: £1,931) and disbursed £7,394 from the fund. The remaining balance of £2,985 (2018: £8,448) will be spent during the 2019/20 year.