

Registration number: 07737398

Mellor Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019



Mellor Primary School

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Mellor Primary School

Reference and Administrative Details

Members	Mr A Sokill Mr S Moore (resigned 28 February 2019) Mr M Barley Rev A Sanders (resigned 25 July 2019) Mrs L Gwyther Mr D Hoult (appointed 25 July 2019)
Trustees (Directors)	Mr A Sokill (Chair) Mr J E Nicholson Mr R Humphrey-Taylor Mr C Smith Mrs K Aldred Mr L Samuel (resigned 31 December 2018) Mrs L Gwyther Mr S Picot (resigned 10 June 2019) Mr T Lowe Mr C Robertson Mrs E Hadfield Mr M Sharp (appointed 8 March 2019)
Company Secretary	Mrs A Bowker
Senior Management Team	Mr J E Nicholson, Headteacher Ms G Parkin, Deputy Head Mrs A J Bowker, School Business Manager
Principal and Registered Office	Knowle Road Mellor Stockport Cheshire SK11 1LX
Company Registration Number	07737398
Auditors	Beever and Struthiers Chartered Accountants and Statutory Auditors St George's House 215 - 219 Chester Road Manchester M15 4JE

Mellor Primary School

Reference and Administrative Details

Bankers

Lloyds Bank Plc
2 Great Underbank
Stockport
SK1 1LX

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

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

The trust operates an academy for pupils aged 3 - 11, including a 16 part-time place Nursery. It has a pupil capacity of 226 (including Nursery) and had on roll 223 in the school census for May 2019.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees (also known as Governors) of Mellor Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mellor Primary.

Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1-2.

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, as required in the academy trust's funding agreement, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. There are no third party provisions.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Method of recruitment and appointment or election of Trustees

These arrangements are set out in the Academy's Articles and Funding Agreement which follow the DfE's Academy Articles of Association Model One (Feb 2016). Please see the Academy's website www.mellor.stockport.sch.uk.

Information on the method of recruitment and appointment or election of Governors can be found in our Governance Policy on our Academy's website www.mellor.stockport.sch.uk. A copy is also available to view on the Governing Body notice in school.

The Articles of Association require the members of the charitable company to appoint at least three members to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

The members of the academy shall comprise:

- a) The signatories to the Memorandum
- b) 1 person appointed by the Secretary of State, in the event that the secretary of State appoints a person for this purpose
- c) The Chairman of the Governors
- d) Any person appointed under Article 16 of the Articles of Association

Governors are appointed for a minimum of 4 years, except that this time limit does not apply to the Headteacher or Company Secretary. Subject to remaining eligible to be a particular type of Trustee, any Governor can be re-appointed or re-elected.

When appointing new Governors, the members will give consideration to the skills and experience mix of existing Governors in order to ensure that the Governing Body has the necessary skills to contribute fully to the academy's development.

Policies and procedures adopted for the induction and training of Trustees

The academy has a Governance Policy which includes Recruitment, Induction and Training policies which is available from the school.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual. All Members and Governors have access to a range of training programmes.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Organisational structure

The Full Governing Body normally meets once each term. The 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.

There are 2 committees as follows;

- Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Education Committee - this meets once a term to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

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 governors
- to approve the Annual Development Plan and budget

The governors 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 members and Full Governing Body have devolved responsibility for day to day management of the academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, Deputy Headteacher, and School Business Manager. The SMT implement the policies laid down by the Governors and report back to them on performance.

The Headteacher is responsible for the appointment of staff, though Governors often have a part to play in the process.

The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration is set in line with Mellor Primary's Pay Policy following the DfE's National Pay Scales, the School Teachers' Pay and Conditions Document (STPCD) and the National Joint Council for Local Government Service, where applicable. The terms and conditions for the Performance Management Sub-Committee will be determined annually by the Governing Body (School Governance (Procedure) (England) Regulations 2003 (SI2003/1377)). The Headteacher's annual professional review is undertaken by an outside independent assessor together with governors who are members of the Performance Management Sub-Committee. Professional reviews for other key management personnel are undertaken by the Headteacher, with the setting of pay formally agreed by the Governing Body Performance Management Sub-Committee. The Academy's Members and governors do not receive any pay remuneration. A small budget is set aside for any Governing Body expenses incurred.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Connected organisations, including related party relationships

Walklate Trust

1. The object of the charity is to offer financial support to development projects at Mellor Primary and to individuals under the age of 25 who live in the area of benefit

2. The Trustees may:

- a) provide finance to support Mellor Primary with projects or educational resources which will benefit the pupils and the community.
- b) provide financial assistance to individual young people to continue in, or assist entry into, education at school, university or any other educational establishment
- c) provide financial assistance to individual young people on leaving school, university or any other educational establishment to prepare for, or assist their entry into, a profession, trade or calling

Trustees: Mrs D. Herrod, Mrs A. Hodgson, Mr J. Nicholson, Mr T. Lowe,
Rev. T Ward, Mr C. Mann, Mrs A Bowker

Friends of Mellor are the Parent Teacher Association (PTA) which helps to raise additional funding for the school.

Mellor Primary works closely with Marple Hall School, our feeder secondary school on ensuring a smooth transition to Secondary Education.

Mellor Lacrosse Club has use of the Academy's Sports pitch and there is an informal shared use agreement between them and the Academy. In return, Mellor Sports Club regularly allows use of its facilities to the academy such as use of their car park.

There are no related parties which either control or significantly influence the decisions and operations of Mellor Primary.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Objectives and activities

Objects and aims

The principal object and activity of the academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Mellor Primary to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The aims of the academy during the period ended 31st August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners
- to enhance the tertiary provision and outcomes
- to develop the academy site so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with our local community, industry and commerce
- to develop the academy's capacity to manage change, and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Mellor Primary aims to get the best for, and from, each child. The academy intends to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. It is a community in which children, staff and parents should be part of a happy and caring environment.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Objectives, strategies and activities

Key priorities were drawn from analysis of assessment data and test outcomes as well children's books, lesson observations and significant challenges and developments in response to changes in Education Policy;

Key priorities for the year are contained in our academy Development Plan. Improvement focuses identified for this year include:

- Embed the whole school approach to teaching and learning to facilitate greater child led learning and independence
- To embed feedback approaches to further deepen and accelerate learning outcomes
- To revise and develop knowledge based approach across the curriculum
- To review teaching and learning approaches to consider aspects such as cognitive load theory
- To develop staff competency in aspects of school leadership
- To embed Restorative Approaches
- Develop the teaching of reasoning in mathematics and the challenge for more able pupils
- Revise a cohesive approach and system for assessment
- Update Safeguarding policy and practice
- Develop whole school behaviour policy
- To develop out door learning experiences through Forest School

Key strategies to achieve outcomes were as follows:

- Build opportunities for delegated responsibility
- Actively seek building partnerships with other schools and professionals
- Identify quality and cost effective methods staff to access CPD
- Establish working teams with school with shared responsibility
- Employ suitably qualified staff
- To ensure cost effective deployment of financial and human resources to improve outcomes for children
- Develop a series of specific learning outcomes through staff meetings to enhance professional learning
- Employ specific staff to develop Forest School programme

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- Whole staff professional development opportunity to study pedagogy and work with another successful primary school
- Specific continued professional development (CPD) for key personnel to develop their leadership skills
- Early Years Team engaged positively with an Early Years consultant to develop practice and outcomes
- All teaching staff to undertake analysis of relevant SAT data to draw conclusions for development (fluency, spelling being main area for development)
- Consider information from question level analysis through KS2 to identify key aspects to develop. Activities developed to raise professional awareness
- Subject leader, staff teams and SLT to undertake book analysis to identify areas for improvement - consider the analysis and application of grammatical understanding from reading exercises in to writing outcomes. Feedback to staff
- Safeguarding CPD - including Keeping Children Safe and DSL attend Safeguarding Network
- Assessment systems, protocols and moderation
- Quality of Teaching of Reading - Parental engagement in research project on the impact of regular reading
- Quality of Teaching of Maths including interventions and support staff development - motivational maths - Subject lead application for Maths Hub link
- Developing the quality of teaching in Science
- Broaden opportunities for sport - Gold award achieved
- Music mark awarded for music opportunities identified
- Developing our core offer in SEND
- Behaviour policy developed with staff through whole school inset and staff meetings. Parental community consulted
- Increasing Out of School Care provision - 60 places
- GDPR training for all
- Forest School timetabled across every class and links established with other schools and the local community

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Following an Ofsted inspection in January 2017 the school was deemed to be good.

In addition to improve the school further Ofsted stated that:

1. The school look to the use of its library facilities more effectively
2. The use of pupil premium be made more clear
3. Parents to be more engaged in the learning process of their children, particularly in Early Years.

In response school has already carried out the following actions:

- Pupil premium spend has been made clear and placed on the website. In addition an impact statement has been developed
- A team responsible for library development has been established and children are using the library
- Mechanisms for parental involvement have been audited and new systems developed such as the 'wow' moment wall and home/school learning books in Early Years

Public benefit

The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner'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.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Achievements and performance

- All staff trained in updated safeguarding procedures
- Assessment system was continued to be developed. This provided information for teachers making final judgements on pupil attainment and progress and links to reports
- Staff meetings were used to support teaching development in the whole school approach to teaching and learning, reading and maths and greater understanding developed in the learning process - initial work undertaken on understanding the new Ofsted framework
- Restorative Approaches were developed with all staff.
- Inset Training was delivered to develop new schemes of work to be developed
- The Core Offer was shared with the community through the website
- High level of additional training undertaken for teaching and support staff
- Subject Leaders gained greater knowledge of the processes and expectations of subject leadership : Developing middle leaders
- PSHCE scheme of work was developed and shared with staff
- All teaching staff immersed in teaching in learning with shared learning at link school (Gatley Primary)

Early Years

- GLD figures in Early Years showed improvement to 76%
- Phonics check
- 77% (23 of 30) of Year 1 pupils met the phonics threshold of 32.
- Boys out performed girls
- 2 out of 5 yr2 children successfully achieved the check

KS1

- 73% of pupils achieved the expected standard or above in reading with 43.3% greater depth
- In writing 60% of pupils achieved the expected standard or above.
- For maths 73% of pupils achieved the expected standard or above

KS2

- Attainment outcomes for children at the end of KS2 were above national in reading, spelling , punctuation, grammar and maths. Outcomes in writing were below national (internally assessed). The results were very cohort specific as analysed with Education Committee.
- Outcomes for and for reading, writing and grammar combined were above national.
- Progress outcomes in writing were well below average - again specific cohort issues
- Gold award in PE
- Music Mark awarded

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Significant events and opportunities

- Harvest at Church
- Children in Need
- Infant nativity - The Inspectors and Junior Carol service
- Story trail wow day
- Parents to read story to class
- Viking man visit
- Visit to Magna, Science Museum
- Visit to Mellor Mill
- Olympics wow
- Class celebrations
- Carmen project completed with presentation to parents
- School Linking Network- Neutral Visit to People's History Museum
- Tommy Atkins- War soldier
- Imperial War Museum
- Marple Memorial Park visit to see WWI material
- Slavery Museum
- Crucial Crew
- Remembrance concert @ Mellor Church
- Remembrance service in school.
- Tameside Fire Service talk
- Remembrance work from Mellor children placed in the memorial park
- Penpals tea event with local residents, grand-parents family members with year 6 children
- Mellor School Choir raising money for Mummy's Star @ Marple train station (7am)
- Winter wonderland choir performance
- Young Voices Choir with 7000 children
- Parents to read story to class
- One Voice celebration - Under The Same Sky
- World Book Day
- Stone Age Forest School
- Yr6 children presented work at the local science fair
- Yr4 visit to the BBC Philharmonic
- Extreme Bike Day
- Bike & scoot to school week
- Our bassoon players performed at St Pauls church in Heaton Moor
- Junior production Pantastic
- Yr4 Shakespeare performance at The Lowry
- Junior music concert with the Mellor School Community Choir (parents, carers and teachers)
- Yr5 residential to Castleton
- Yr6 residential to Northumberland
- Yr6 leaver's assembly
- Stockport Pop Lacrosse Champions and competing in the North West and National Finals
- Different age ranges competing in tri-golf, tag-rugby, indoor athletics, swimming gala, football tournament, netball, cross country
- Early Years visit to the zoo
- Success on the tennis and netball court at the Legacy Games
- Bike Ability

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Achievements and performance

Significant events and opportunities (continued)

- The Remembrance Service planned and organised by our Year 6 children
- Yr4 children again performed at the Lowry Theatre as part of the Shakespeare festival in the summer term
- Children in Year 5 celebrated their joint work with Cale Green Primary school in the linking schools partnership
- Harvest Festival - Rev Alex Saunders joined our celebration at St Thomas' Church
- Junior Carol Concert
- Ofsted
- Young Voices
- Choir sang at Marple Railway Station & Winter Wonderland
- Mellor Primary School - Stockport Pop Lacrosse Champions and then battled to participate in the National finals
- School received notable awards for our commitment to sport and participation in competition, as part of the Stockport Schools Sports Partnership
- Sports Day was competitive and inclusive, celebrating sport for all as well as enabling those with a sporting talent to shine
- A raft of day visits to support learning together with class celebrations to share work
- Year 5 Residential visit to Castleton
- Year 6 Residential visit to Northumberland
- The Summer Music Concert celebrated the children's musical talents
- School productions including the Christmas KS1 Nativity and KS2 The Tempest
- Our second prize giving afternoon
- Congratulations to the 19 children who have been awarded with a 100% attendance gold badge. A great achievement!

Key performance indicators

1. Very little movement in pupil number
2. Attendance is positive
3. Staff retention is high in the teaching team
4. Despite reduction in per pupil funding, prudent financial management has meant that staffing has remained relatively stable
5. Income generation has increased with greater places in out of school care
6. Forest school is attracting other link work with local schools and pre-school children

Summary of Key Stage 2 Results in 2019

Table to show the outcomes for Key Stage2 data 2017-18: Preliminary data for this year's outcomes may be subject to some change

Note:

ExS+ = The % of children achieving or exceeding the National Expected Standard

GD = The % of children working at 'Greater Depth' : Higher than the expected standard.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Attainment

	National			Mellor		
Subject	Attainment			Attainment		
	ExS+	GD	Average Scale Score	ExS+	Higher	Average Scale Score
Reading	73	27	104	82.1	32.1	106
Writing	79	20	NA	71.4	14.3	NA
Spag	78	36	106	78.6	39.3	106
Maths	79	27	105	78.6	35.7	106
RWM	65	11	NA	67.9	10.7	NA

A table to show three year averages of KS2-children achieving the expected standard 2017 - 19

Combined Reading, Writing and Maths	School	LA	National
Average % of pupils achieving the expected standard or higher in 2017-2019	78.48	65.69	63.49
Average % of pupils achieving the higher standard 2017-2019	17.72	10.35	9.72

Progress

The Education Committee reviewed the contextual analysis of the cohort.

Small numbers of pupils impact upon percentages. 26 children had comparative data.

Subject	All pupils	Boys	Girls	FSM	Pupil Premium	SEND
Reading	0.4	0.4	0.4	-3.3	-1.8	0.6
Writing	-2.7	-2.9	-2.4	-1.5	-1.9	-2.0
Maths	-0.1	0.9	-1.5	3.3	0.8	2.6

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Going concern

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

Financial review

Most of the academy's income is obtained from the DfE via the ESFA, which is currently through Stockport Local Authority's Funding Formula, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy also receives Devolved Formula Capital grants for capital expenditure from the DfES which is shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by

Charities' (SORP 2005). 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 31st August 2019, expenditure of £741k was covered by recurrent grant funding from the DfE. Other incoming resources totalled £434k, with associated expenditure of £601k.

At 31st August 2019 the net book value of fixed assets was £2,502k and movements in tangible fixed assets are shown in note 10 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. The School building was professionally valued on 4th October 2011 at £2,000,000. An extension to the school building was completed in 2019 with a final valuation of £590,934. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching. The deficit is incorporated within the Statement of Financial Activity with details in note 20 to the financial statements.

The Governors have appointed Emma Johnstone, Management Accountant, Corporate and Support Services, Schools Finance, Stockport MBC, as Responsible Officer, to provide independent oversight of the academy's financial affairs and undertake a programme of internal checks on financial controls. During the year, the Governors received reports from the Responsible Officer which contained no matters of significance.

Reserves policy

The academy's policy is to carry forward a prudent level of resources. Due to cuts in funding, the situation is constantly kept under review. Any reserves are allocated and spent as part of the School Development Plan, to update, improve and maintain its facilities and resources.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Investment policy

The academy aims to manage its cash balances to provide for the day to day working requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. The School does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of any surplus funds is delegated to the Headteacher and School Business Manager within strict guidelines approved by the Governing Body.

Principal risks and uncertainties

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 xx% of the academy's incoming resources was ultimately Government funded. 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. The implementation of the National Funding Formula has been halted and been the subject of much debate; its outcomes are still unclear. Schools and academies are under pressure at a national level to implement pay increases for staff at a time of little or no commensurate increase in income.

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 Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors 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 Governors 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. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Strategic Report

Fundraising

Friends of Mellor Primary School is the Parent Teacher Association (PTA) for Mellor Primary School. It is organised by parents and teachers to provide a range of events and fundraising initiatives throughout the year to raise additional funds for school projects. All parents are automatically member of Friends of Mellor when their children join our school.

The Friends of Mellor Primary School are the Academy's primary fundraisers and are a registered Charity under their own right (Reg. Charity Number 1098831). The Charity has a separate constitution (available to view on the school's website www.mellor.stockport.sch.uk)

Plans for future periods

The academy will continue to strive to improve levels of academic 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.

Mellor Primary School

Trustees' Report for the Year Ended 31 August 2019

Funds held as Custodian Trustee on behalf of others

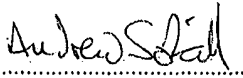
Mellor Primary holds the Bank Account of Friends of Mellor, the school's PTA as it is a charity in its own right.

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees on4/12/19..... and signed on its behalf by:



Mr A Sokill (Chair)
Trustee

Mellor Primary School

Governance Statement

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Mellor Primary 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 Governing Body has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform to 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 Mellor Primary and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 3 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
Mrs K Aldred	3	3
Mrs A Bowker	3	3
Mrs L Gwyther	3	3
Mrs E Hadfield	3	3
Mr R Humphrey-Taylor	2	3
Mr T Lowe	3	3
Mr J E Nicholson	3	3
Mr S Picot	0	2
Mr L Samuel	0	1
Mr C Robertson	2	3
Mr C Smith	3	3
Mr A Sokill	3	3
Mr M Sharp	1	1

During the year Mr Matt Sharp, Managing Director of MPS Construction, joined the governing body.

Mellor Primary School

Governance Statement

Finance Committee (Incorporating the Audit Committee)

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to assist in the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the full Governing Body for ratification.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Bowker	4	4
Mr R Humphrey-Taylor	4	4
Mr J E Nicholson	4	4
Mr S Picot	2	3
Mr L Samuel	0	1
Mr C Robertson	3	3
Mr M Sharp	1	1
Mr A Sokill (Chair)	3	4

Education Committee

The Education Committee is responsible for monitoring the School Development Plan. It ensures that a broad and balanced curriculum is provided and that the Governing Body has a knowledge of how the curriculum is taught, evaluated and resourced. It considers the School Improvement targets and monitors the progress of all pupils. It reviews policies and issues on welfare, patterns of attendance and exclusion. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs K Aldred	3	3
Mrs L Gwyther	3	3
Mrs E Hadfield	3	3
Mr T Lowe	3	3
Mr J E Nicholson	3	3
Mr C Smith	3	3
Mr A Sokill	1	1

The trust intends to conduct its next self-evaluation in the Autumn term 2019

Mellor Primary School

Governance Statement

Review of Value for Money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust 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 trust'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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Ensuring that standards continue to improve in the academy is a key objective. This has been achieved by operating a programme of lessons observation, shared observation, shared moderation and book analysis, listening to the views of children and undertaking a comparison of results from entry to Key Stage 1 and progress through to KS2. In addition, pupil progress meetings were held regularly.

Targeted improvement:

Staffing structure was deployed to support a continually enhanced curriculum and effective use of intervention strategies.

Planned professional development has included the holistic approach to how teachers can make the greatest impact; teaching of reading, mathematics and how to use IT to facilitate learning.

Focus on individual pupils:

Teaching support has been deployed to support phonic intervention groups, one to one tuition and ensuring that all children with High Needs SEN receive their full entitlement.

Progress of vulnerable children and those with SEN is good and in some cases outstanding.

More able children receive quality first teaching and there have been opportunities to attend curriculum development days such as Shakespeare Festival.

Pupil premium spend has been identified on the website.

Collaboration:

The trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. This includes developing links with Manchester University; Gatley Primary School for teaching and learning development as well as Cale Green Primary School for teaching and learning in an intercultural society. Local schools have clustered to develop monitoring and assessment procedures.

School worked closely with Members of the military and coordinated 8 other schools in the One Voice initiative to celebrate cultural, racial and spiritual differences. Once again, the work culminated in a successful concert at the Bridgewater Hall.

Mellor Primary School

Governance Statement

New initiatives:

The academy has continued to develop a unique curriculum bespoke for Mellor Primary. The Nursery has been reorganised to enable working parents to have greater use of the school facilities by providing optional afternoon sessions. The Out Of School Care facility has been structured to enable up to 50 children attends. The whole trust approach to feed forward marking and developing learning independence has been a significant development.

The academy has used the skills and knowledge of neighbouring schools for DT and Science.

Quantifying improvements:

Since its opening the academy has had an increased number of applications with total pupil number of 226 (including Nursery children) at the May 2018 census.

Educational standards in both Key Stages show good progress and in maths an improving progress.

Children with SEN make better than national progress.

Children at the end of KS2 have made more progress than the national norm.

The financial controls of the academy are effective and the cost effectiveness has improved with additional resources being used for staffing and affecting pupil outcomes.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mellor Primary for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 governing body.

Mellor Primary School

Governance Statement

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the 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 governing body has considered the need for a specific internal audit function and has decided to appoint Emma Johnstone as Responsible Officer to carry out a programme of internal checks.

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

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

On a quarterly basis, the Responsible Officer reports to the governing body, through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Mellor Primary School

Governance Statement

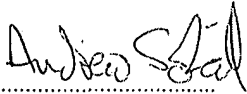
Review of Effectiveness

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:

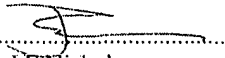
- The work of our Responsible Officer taking on internal control audits.
- The work of the external auditor.
- The work of the senior leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 4/12/19 and signed on its behalf by:



Mr A Sokill (Chair)
Trustee



Mr J E Nicholson
Accounting officer
Trustee

Mellor Primary School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Mellor Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



Mr J E Nicholson
Accounting officer

Date: 4/12/19

Mellor Primary School

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 4/12/19 and signed on its behalf by:



Mr A Sokill (Chair)
Trustee

Mellor Primary School

Independent Auditor's Report on the Financial Statements to the Members of Mellor Primary School

Opinion

We have audited the financial statements of Mellor Primary School "the academy trust" for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 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 2019 and of its incoming resources and application of resources, including 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Mellor Primary School

Independent Auditor's Report on the Financial Statements to the Members of Mellor Primary School

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 (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 26], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

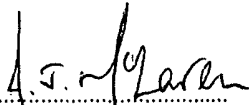
Mellor Primary School

Independent Auditor's Report on the Financial Statements to the Members of Mellor Primary School

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

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

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew McLaren (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: 4/12/19

Mellor Primary School

Independent Reporting Accountant's Report on Regularity to Mellor Primary School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 July 2015 and further to the requirements of the Education and 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 Mellor Primary School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of the board of trustees's funding agreement with the Secretary of State for Education dated 30 September 2011 and the Academies Financial Handbook extant from 1 September 2016, 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 from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

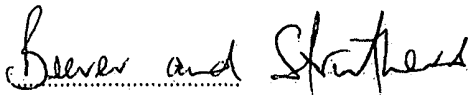
- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Mellor Primary School

Independent Reporting Accountant's Report on Regularity to Mellor Primary School and the Education & Skills Funding Agency

Conclusion

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



Andrew McLaren

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: 4/12/19

Mellor Primary School

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

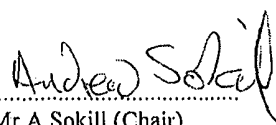
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Income and endowments from:						
Donations and capital grants	2	-	-	19	19	32
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	877	-	877	862
Other trading activities	4	243	36	-	279	272
Total		243	913	19	1,175	1,166
Expenditure on:						
Raising funds	5	146	-	-	146	158
<i>Charitable activities:</i>						
Academy trust educational operations	6	-	1,098	98	1,196	1,097
Total		146	1,098	98	1,342	1,255
Net income/(expenditure)		97	(185)	(79)	(167)	(89)
Transfers between funds		(105)	111	(6)	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	20	-	(186)	-	(186)	97
Net movement in (deficit)/funds		(8)	(260)	(85)	(353)	8
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		132	(196)	2,589	2,525	2,517
Total funds/(deficit) carried forward at 31 August 2019		124	(456)	2,504	2,172	2,525

Mellor Primary School

(Registration number: 07737398)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	10	2,502	2,562
Current assets			
Debtors	11	18	22
Cash at bank and in hand		<u>145</u>	<u>171</u>
		163	193
Liabilities			
Creditors: Amounts falling due within one year	12	<u>(37)</u>	<u>(34)</u>
Net current assets		<u>126</u>	<u>159</u>
Total assets less current liabilities		<u>2,628</u>	<u>2,721</u>
Net assets excluding pension liability		2,628	2,721
Defined benefit pension scheme liability	20	<u>(456)</u>	<u>(196)</u>
Total net assets including pension liability		<u>2,172</u>	<u>2,525</u>
Funds of the Academy:			
Restricted funds			
Restricted fixed asset fund		2,504	2,589
Restricted pension fund		<u>(456)</u>	<u>(196)</u>
		2,048	2,393
Unrestricted funds			
Unrestricted general fund		<u>124</u>	<u>132</u>
Total funds		<u>2,172</u>	<u>2,525</u>

The financial statements on pages 32 to 47 were approved by the Trustees, and authorised for issue on 4/12/19 and signed on their behalf by:


Mr A Sokill (Chair)
Trustee

Mellor Primary School

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by (used in) from operating activities	16	(7)	16
Cash flows from financing activities	17	<u>(19)</u>	<u>27</u>
Change in cash and cash equivalents in the year		(26)	43
Cash and cash equivalents at 1 September		<u>171</u>	<u>128</u>
Cash and cash equivalents at 31 August	18	<u>145</u>	<u>171</u>

Mellor Primary School

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

1 Accounting policies

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

Basis of preparation

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

Mellor Primary School meets the definition of a public benefit entity under FRS102.

Going concern

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

Income

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

Grants

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

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

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

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.

Mellor Primary School

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

1 Accounting policies (continued)

Other income

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Asset class	Depreciation method and rate
Freehold Buildings	50 years

Mellor Primary School

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

1 Accounting policies (continued)

Fixtures, Fittings and equipment	10 years
ICT equipment	4 years

Liabilities

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

Provisions

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

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

Leased assets

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

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 11. Prepayments are not financial instruments. Amounts due to the charity'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 notes 12. 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 charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Mellor Primary School

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

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education & Skills Funding Agency/Department for Education/sponsor/other 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 Education & Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

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

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Restricted fixed asset funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Capital grants	19	19	32

Mellor Primary School

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

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
DfE/ESFA revenue grants			
General Annual Grant (GAG)	741	741	728
Other ESFA / DfE grants	43	43	39
	<u>784</u>	<u>784</u>	<u>767</u>
Other government grants			
Local Authority Income	93	93	95
Total grants	<u>877</u>	<u>877</u>	<u>862</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Catering income	26	36	62	62
Other sales	217	-	217	210
	<u>243</u>	<u>36</u>	<u>279</u>	<u>272</u>

5 Expenditure

	Non Pay Expenditure			Total 2018/19 £ 000	Total 2017/18 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	52	-	94	146	158
Academy's educational operations					
Direct costs	633	98	78	809	739
Allocated support costs	191	57	139	387	358
	<u>876</u>	<u>155</u>	<u>311</u>	<u>1,342</u>	<u>1,255</u>

Mellor Primary School

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

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19 £ 000	2017/18 £ 000
Operating leases - plant and machinery	11	14
Fees payable to auditor - audit	5	5
- other audit services	<u>1</u>	<u>1</u>

6 Charitable activities

	2018/19 £ 000	2017/18 £ 000
Direct costs - educational operations	809	739
Support costs - educational operations	<u>387</u>	<u>358</u>
	<u>1,196</u>	<u>1,097</u>

	Educational operations £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Analysis of support costs			
Support staff costs	191	191	180
Technology costs	1	1	1
Premises costs	57	57	46
Other support costs	130	130	123
Governance costs	<u>8</u>	<u>8</u>	<u>8</u>
Total support costs	<u>387</u>	<u>387</u>	<u>358</u>

Mellor Primary School

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

7 Staff

Staff costs

	2018/19 £ 000	2017/18 £ 000
Staff costs during the year were:		
Wages and salaries	633	558
Social security costs	49	44
Pension costs	174	154
	<u>856</u>	<u>756</u>
Supply teacher costs	20	35
	<u>876</u>	<u>791</u>

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	11	8
Administration and support	24	24
Management	3	3
	<u>38</u>	<u>35</u>

Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £203,159 (2018: £214,951).

8 Related party transactions - trustees' remuneration and expenses

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

Mellor Primary School

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

8 Related party transactions - trustees' remuneration and expenses (continued)

Mr J E Nicholson (Headteacher):

Remuneration: £60,000 - £65,000 (2018 - £60,000 - £65,000)

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

Mrs C Boardman (Staff Trustee):

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

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

Mrs A Bowker (Company Secretary):

Remuneration: £20,000 - £25,000 (2018 - £20,000 - £25,000)

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

Other related party transactions involving the trustees are set out in note 21.

9 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 was £3,451 (2018: RPA insurance). The cost of this insurance is included in the total insurance cost

10 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2018	2,706	385	86	3,177
Additions	-	38	-	38
At 31 August 2019	2,706	423	86	3,215
Depreciation				
At 1 September 2018	280	260	75	615
Charge for the year	54	38	6	98
At 31 August 2019	334	298	81	713
Net book value				
At 31 August 2019	2,372	125	5	2,502
At 31 August 2018	2,426	125	11	2,562

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

11 Debtors

	2019 £ 000	2018 £ 000
VAT recoverable	2	-
Prepayments	16	22
	<u>18</u>	<u>22</u>

12 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Accruals	17	15
Deferred income	20	19
	<u>37</u>	<u>34</u>
	<u>2019</u> <u>£ 000</u>	<u>2018</u> <u>£ 000</u>

Deferred income

Deferred income at 1 September 2018	19	33
Resources deferred in the period	20	19
Amounts released from previous periods	<u>(19)</u>	<u>(33)</u>
Deferred income at 31 August 2019	<u>20</u>	<u>19</u>

At the balance sheet date the academy trust was holding funds received in advance of £20,266 for Infant free school meals relating to 2019/20.

13 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
GAG	-	741	(852)	111	-
Other DFE / EFA grants	-	43	(43)	-	-
Local authority grants	-	93	(93)	-	-
Other income/donations	-	36	(36)	-	-
	-	913	(1,024)	111	-
Restricted pension funds					
LGPS	(196)	-	(74)	(186)	(456)
Total restricted general funds	<u>(196)</u>	<u>913</u>	<u>(1,098)</u>	<u>(75)</u>	<u>(456)</u>

Mellor Primary School

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

13 Funds (continued)

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted fixed asset funds					
Inherited on conversion	1,884	-	(75)	-	1,809
Capital expenditure from GAG / unrestricted	123	-	(4)	-	119
DFE / EFA capital grants	568	19	(18)	(6)	563
Other capital grants	14	-	(1)	-	13
	<u>2,589</u>	<u>19</u>	<u>(98)</u>	<u>(6)</u>	<u>2,504</u>
Total restricted funds	2,393	932	(1,196)	(81)	2,048
Unrestricted funds					
Unrestricted general funds	132	243	(146)	(105)	124
Total funds	<u>2,525</u>	<u>1,175</u>	<u>(1,342)</u>	<u>(186)</u>	<u>2,172</u>

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
GAG	-	728	(728)	-	-
Other DFE / EFA grants	-	39	(39)	-	-
Local authority grants	-	95	(95)	-	-
Other income/donations	-	36	(36)	-	-
	<u>-</u>	<u>898</u>	<u>(898)</u>	<u>-</u>	<u>-</u>
Restricted fixed asset funds					
Inherited on conversion	1,960	-	(76)	-	1,884
Capital expenditure from GAG / unrestricted	130	-	(7)	-	123
DFE / EFA capital grants	552	32	(16)	-	568
Other capital grants	15	-	(1)	-	14
	<u>2,657</u>	<u>32</u>	<u>(100)</u>	<u>-</u>	<u>2,589</u>
Restricted pension funds					
LGPS	(226)	-	(67)	97	(196)
Total restricted funds	2,431	930	(1,065)	97	2,393

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

13 Funds (continued)

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Unrestricted funds					
Unrestricted general funds	86	236	(190)	-	132
Total funds	<u>2,517</u>	<u>1,166</u>	<u>(1,255)</u>	<u>97</u>	<u>2,525</u>

14 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,502	2,502
Current assets	161	-	2	163
Current liabilities	(37)	-	-	(37)
Pension scheme liability	-	(456)	-	(456)
Total net assets	<u>124</u>	<u>(456)</u>	<u>2,504</u>	<u>2,172</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,562	2,562
Current assets	132	34	27	193
Current liabilities	-	(34)	-	(34)
Pension scheme liability	-	(196)	-	(196)
Total net assets	<u>132</u>	<u>(196)</u>	<u>2,589</u>	<u>2,525</u>

15 Commitments under operating leases

Operating leases

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

	2019 £ 000	2018 £ 000
Amounts due within one year	2	11
Amounts due between one and five years	<u>-</u>	<u>2</u>
	<u>2</u>	<u>13</u>

Mellor Primary School

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

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

	2019 £ 000	2018 £ 000
Net expenditure	(167)	(89)
Depreciation	98	100
Capital grants from DfE and other capital income	(19)	(32)
Defined benefit pension scheme cost less contributions payable	68	60
Defined benefit pension scheme finance cost	6	7
Decrease/(increase) in debtors	4	(4)
Increase/(decrease) in creditors	3	(26)
Net cash (outflow)/inflow from operating activities	<u>(7)</u>	<u>16</u>

17 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Purchase of tangible fixed assets	(38)	(5)
Capital funding received from sponsors and others	19	32
Net cash (used in)/provided by investing activities	<u>(19)</u>	<u>27</u>

18 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	145	171
Total cash and cash equivalents	<u>145</u>	<u>171</u>

19 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, as required in the academy trust's funding agreement, for the debts and liabilities contracted before they ceased to be a member.

Mellor Primary School

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

20 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Mellor Primary School

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

20 Pension and similar obligations (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £53,000 (2018: £51,000).

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £55,000 (2018 - £55,000), of which employer's contributions totalled £41,000 (2018 - £41,000) and employees' contributions totalled £14,000 (2018 - £14,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>1.80</u>	<u>2.80</u>

Mellor Primary School

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

20 Pension and similar obligations (continued)

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

	2019	2018
Retiring today		
Males retiring today	20.60	21.50
Females retiring today	23.10	24.10
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	<u>24.80</u>	<u>26.20</u>

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

	2019 £ 000	2018 £ 000
Equities	608	545
Other bonds	134	128
Property	72	56
Cash and other liquid assets	<u>80</u>	<u>72</u>
Total market value of assets	<u>894</u>	<u>801</u>

The actual return on scheme assets was £40,000 (2018 - £40,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	(100)	(101)
Interest income	23	18
Interest cost	<u>(29)</u>	<u>(25)</u>
Total amount recognised in the SOFA	<u>(106)</u>	<u>(108)</u>

Mellor Primary School

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

20 Pension and similar obligations (continued)

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

	2018/19 £ 000	2017/18 £ 000
At start of period	997	938
Current service cost	100	101
Interest cost	29	25
Employee contributions	15	14
Actuarial (gain)/loss	203	(75)
Benefits paid	(7)	(6)
Effect of non-routine settlements	13	-
At 31 August	<u>1,350</u>	<u>997</u>

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

	2018/19 £ 000	2017/18 £ 000
At start of period	801	712
Interest income	23	18
Actuarial gain/(loss)	17	22
Employer contributions	45	41
Employee contributions	15	14
Benefits paid	(7)	(6)
At 31 August	<u>894</u>	<u>801</u>

21 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 8.

22 Capital commitments

	2019 £ 000	2018 £ 000
Contracted for, but not provided in the financial statements	<u>-</u>	<u>26</u>

Mellor Primary School

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

23 Statement of Financial Activities for the Year Ended 31 August 2018

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
Income and endowments from:				
Donations and capital grants	-	-	32	32
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	-	862	-	862
Other trading activities	236	36	-	272
Total	236	898	32	1,166
Expenditure on:				
Raising funds	158	-	-	158
<i>Charitable activities:</i>				
Academy trust educational operations	-	997	100	1,097
Total	158	997	100	1,255
Net income/(expenditure)	78	(99)	(68)	(89)
Transfers between funds	(32)	32	-	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	97	-	97
Net movement in funds/(deficit)	46	30	(68)	8
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2017	86	(226)	2,657	2,517
Total funds/(deficit) carried forward at 31 August 2018	132	(196)	2,589	2,525