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Company Registration Number: 08197353 (England & Wales)

**LADY JANE GREY PRIMARY SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

<b>Members</b>	Michael FitzGerald Adam Knight Sarah Cadle Andrew Hurd (appointed 31 January 2018)
<b>Trustees</b>	Adam Knight, Chair <sup>1,2</sup> Sarah Cadle, Vice Chair <sup>2,3</sup> Juliet Martin <sup>3</sup> Eileen Brown <sup>3</sup> Michael FitzGerald, Headteacher <sup>1,2,3</sup> Amanda Williams <sup>1,2</sup> Alejandro Armellini <sup>2</sup> Judith Wyatt, Staff Trustee <sup>3</sup> Andrew Hurd <sup>1</sup> Abbasali Kapasi (appointed 31 January 2018) <sup>1</sup> Lisa Jones (appointed 31 January 2018) Bhulesh Kachra (appointed 31 January 2018) <sup>2</sup>

- <sup>1</sup> Finance & Business Committee
- <sup>2</sup> Learning & Leadership
- <sup>3</sup> Behaviour & Safeguarding

<b>Company registered number</b>	08197353
<b>Company name</b>	Lady Jane Grey Primary School
<b>Principal and registered office</b>	Wolsey Close Groby Leicester LE6 0ZA
<b>Senior management team</b>	Michael Fitzgerald, Headteacher Daniel Caldwell, Deputy Headteacher Gill Okuniewski, Assistant Headteacher Sally Boaden, Business Manager
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicester LE7 4UZ
<b>Bankers</b>	Lloyds Bank Plc 145 Narborough Road Leicester LE3 0PB

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September to 31 August 2018. 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 4 to 11 serving a catchment area in Groby. It has a pupil capacity of 210 and had a roll of 226 in the school census in May 2018.

**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 charitable company was incorporated on 31 August 2012. The school converted to Academy status on 1 October 2012 when its operations, assets and liabilities were transferred from the Local Authority.

The Governors act as the Trustees for the charitable activities of Lady Jane Grey Primary School and are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Lady Jane Grey Primary School. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administration Information.

● **Members' liability**

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

● **Trustees' indemnities**

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

● **Method of recruitment and appointment or election of Trustees**

Trustees are appointed as follows:

Parent Trustees - through open election for all eligible parents or guardians of pupils who attend Lady Jane Grey Primary School.

Staff Trustees - through open election for all eligible members of staff working at Lady Jane Grey Primary School.

All members can nominate a person as a potential Trustee. The present members are Michael FitzGerald, Adam Knight, Sarah Cadle and Andrew Hurd.

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

● **Policies and procedures adopted for the induction and training of Trustees**

We expect all Trustees to undertake training as appropriate to their work at the Academy. New Trustees will be provided with an induction programme delivered partly in house and partly through external sources as required. A log is kept of all Trustees training and reviewed on a regular basis at Governing Body meetings.

● **Organisational structure**

The Trustees determine the general policy of the Academy. The day to day running of the Academy is delegated to the Headteacher, supported by the senior leadership team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior leadership team. The day to day administration is undertaken within the policies and procedures approved by the Trustees which provide for only significant expenditure and major capital projects to be referred to the Trustees for prior approval.

The Headteacher oversees the recruitment of all educational staff, whilst under delegated authority the school business manager oversees the recruitment of administrative and non teaching support staff. The Headteacher is an ex officio Trustee, Principal Accounting Officer and attends all meetings. The School Business Manager attends all Finance & Business committee and any other Trustees meetings as appropriate. The Deputy Headteacher is invited to Trustees meetings as appropriate.

The Governors, who are also the charity Trustees, are responsible for the overall management and control of the Academy and meet three to four times per year.

The work of reviewing and monitoring most of their policies is delegated to members of the:

- Finance & Business Committee
- Leadership & Learning
- Behaviour & Safeguarding
- Pay Committee

These meet at least once each term (with exception of the Pay Committee who meet at least annually in the Autumn term) and work under the Chairmanship of a Trustee appointed at the first committee meeting of each academic year. Terms of reference of these committees are agreed annually at this meeting. The clerk to the Trustees is responsible for co coordinating the work of the Trustees and their Committees, preparation of agenda and papers and review of matters arising. The School Business Manager is responsible for preparation of accounts.

All Trustees give of their time freely and no remuneration or expenses were paid in the year for their roles as Trustees.

● **Pay policy for key management personnel**

The Pay Committee are responsible for setting the pay for the senior leadership team by using the Teacher's Performance Related Pay Policy formed by the Local Authority. National pay scales and school group sizes are used to determine pay along with benchmarking of local schools to ensure appropriate and competitive salaries are followed.

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

● **Connected organisations, including related party relationships**

The Headteacher is a member of a number of professional organisations which enable him to keep abreast of current educational matters and network with other schools to share expertise, knowledge and experience.

As part of its work the Academy is in partnership with:

- Ratby Primary School
- Brookvale Groby Learning Trust
- STEPS Teaching School Alliance - This partnership forms the CPD Programme for Teaching and Support staff. The partnership ensures that the school remains at the forefront of educational thinking and innovation
- Enrich – To develop and offer outside opportunities for all children in the area of sport, the arts and science
- Elizabeth Woodville
- Martinshaw Primary School
- Mercenfeld Primary School
- Kirby Muxloe Primary School
- Newtown Linford Primary School
- Thornton Primary School
- Stanton Under Bardon
- Charnwood High School
- Stafford Lees Primary School

The school has a connected charity, HSA (Home School Association) which was established for the purpose of supporting the school in a manner as determined by its own independent board. These funds are under the control of this independent board, not the Academy. In line with the Academies Accounts Direction 2017 to 2018 (SORP 2015) some summary details of this charity's activities are included in note 25 to the financial statements.

**OBJECTIVES AND ACTIVITIES**

● **Objects and aims**

Lady Jane Grey Primary School's object is specifically restricted to the following; to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

● **Objectives, strategies and activities**

The purpose of the Academy is to be a learning community where young people and adults share the search for knowledge, truth and pursuit of excellence. Our vision is to deliver outstanding learning to all pupils.

Our belief, as communicated to the pupils, is that we all should aim to be the best we can be because we:

- know unrecognised talent lies latent in all of us
- believe in you, not only as you are but also what you might become
- want you to be able to achieve even more than you hoped to achieve
- know that personal motivation is a critical factor in achieving success

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Our values are to:

**Mission Statement**

The Lady Jane Grey Academy seeks to offer an environment conducive to transformational learning experiences, enabling all pupils to develop as critical thinkers and effective contributors to 21st Century society. At Lady Jane Grey we aim.....

- To seek excellence in all that we attempt, setting high standards, having high expectations in all we do and personalised targets to ensure that all of our children reach their potential.
- To offer a broad and balanced creative curriculum which is both relevant and well resourced, creatively delivering the requirements of our Academy curriculum and promoting appreciation of the arts through music, visual arts, literature, dance and drama.
- To promote outstanding learning through the positive ethos of the Academy and those who work within it.
- To provide a secure environment where both children and adults feel valued and respect others and their choices and beliefs.
- To support and extend children's learning opportunities, ensuring that everyone enjoys their experiences!
- To work with our local community to enrich and enhance the lives of all who come into contact with our Academy.
- To encourage independence whilst appreciating the needs of others.
- To actively seek to do the right thing and to be a good friend.

**And to be the best we can be!**

● **Public benefit**

Lady Jane Grey Primary School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance of public benefit published by the Charity Commission.

**STRATEGIC REPORT**

● **Key educational performance indicators**

Lady Jane Grey Primary School's purpose is to provide high quality learning activities to pupils at the Academy and the wider community which we serve.

Our academic results showed that the school attained highly at the end of Key Stage 2;

**KS2 Progress:**

- For the last 8 years Lady Jane Grey children have left KS2 significantly above the national expectations in both English and Maths.
- The progress for Year 6 in 2017 was above expectations.

**KS1 Attainment and Progress:**

- In KS1 there has been an upward trend in attainment.
- Progress has been in line with national expectations for both literacy and numeracy.

**FS Attainment and Progress:**

- In general, children enter FS below or in line with age related expectations.
- In most cases they leave FS equal to or above age related expectations.
- Progress through FS is inline with national expectations.

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Academy firmly believes that educational standards have been maintained year on year for 9 years. The attainment at the end of Key Stage 2 is significantly and consistently above the National Average for both literacy and numeracy.

The Academy achieved the following results at the end of Key Stage 2 2017/18:

<b>Subject</b>	<b>Percentage of pupils achieving the expected standard: school</b>	<b>Percentage of pupils achieving the expected standard: nationally</b>	<b>Average scaled score: school</b>	<b>Average scaled score: nationally</b>
<b>English reading</b>	83%	75%	106	105
<b>English grammar, punctuation and spelling</b>	83%	78%	108	106
<b>Mathematics</b>	87%	76%	106	104
<b>English writing (teacher assessment)</b>	90%	78%	N/A	N/A
<b>Science (teacher assessment)</b>	90%	82% (2017 data)	N/A	N/A

Our key achievements and activities in the 2017/18 academic year have included:

- Continued staff development through regular teacher training sessions and establishment of a middle and established leader training programme.
  - Further developed the role of our Inclusion & Behaviour Manager and supported more difficult cases through external counselling.
  - Ensured the school represents good value for money.
  - The HSA (Home School Association) raised approximately £4,978 over the course of the year through a variety of events.
  - Stay & Play after school club was established in September 2015 and has grown to an average 42 children attending the club at some point every day.
  - The Breakfast Club has seen an increase in numbers to an average of 51 children per day
- School attendance for this academic year was 97.1% and is above national trend.

• **Going concern**

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



**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**FINANCIAL REVIEW**

● **Financial Review**

The Academy had a net increase in funds for the year ended 31 August 2018 of £37,230 including fixed assets movements but excluding pension reserve movements. As at 31 August 2018 the Academy held £19,337 of unrestricted reserves plus £165,699 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £185,036.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £314,000 at 31 August 2018 and a fixed asset reserve of £1,987,910 being the book value of past purchases £2,016,270 less £28,360 of Salix loans outstanding.

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

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

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

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 5% of the annual budget, being approximately £50,000.

Actual free reserves plus unspent GAG as at 31 August 2018 were £185,036, being £135,036 higher than the target level set by the Trustees. This excess will be used for the Salix repayments (energy saving investment loan) and to contribute towards the future in-year deficits forecast for the next 3 financial years. Cash at bank at 31 August 2018 was £41,032 higher than total available reserves due principally to PAYE/NI and pension costs for August 2018 being paid over in September 2018 and Universal Infant Free School Meals income received in advance of 2018/19.

At 31 August 2018 the Academy's fixed asset reserve of £1,987,910 represented £2,016,270 of funds which could only be realised if the assets were sold, less £28,360 of Salix loans repayable.

The only reserve in deficit at the year end was the pension reserve (deficit of £314,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **Material investments policy**

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk. Available rates are reviewed from time to time and where returns are judged sufficient to more than offset the administrative cost of managing deposit funds, such accounts may be used.

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

● **Principal risks and uncertainties**

At 31 August 2018 the deficit on the Local Government Pension Scheme shown in the accounts was £314,000 (2017 - £386,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Academy's cash flow and future annual pension costs will be affected by changes in contribution rates as informed by the actuary.

The Trustees are responsible for the overseeing of the risks faced by the Academy. Detailed considerations of risk are delegated to the senior leadership team of the Academy. Risks are identified, assessed and controls established throughout the period. A formal review of the Academy's risk management processes is undertaken on an annual basis. Risk is managed under the headings of:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

Through the risk management processes established for the Academy, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**FUNDRAISING**

Fundraising has been limited to small events held to raise funds for external charities, such as non-uniform days. These funds are paid across in full to the nominated charities.

Lady Jane Grey Home School Association (Charity number 1106580) are a voluntary organisation which exist to raise funds for Lady Jane Grey Primary School.

**PLANS FOR FUTURE PERIODS**

● **Future developments**

The Trustees intend to continue their current strategies of maintaining the Academy's position in a competitive market by providing outstanding education for all pupils. Achieving high standards of academic results is a constant aim whilst maintaining the breadth and depth of wider education to develop the whole person.

The Headteacher, curriculum manager and senior leadership team continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development. We have invested £5,000 into the creative curriculum.

Our future plans are financed from income direct from the DfE, related to pupil numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for current pupils.

Maintaining and, where necessary, developing the fabric of the facilities of the Academy are central to our strategy. Our plans are primarily focused on maintaining and developing the Academy site to maximise opportunities for all. We have a planned programme of maintenance and investment for the Academy site.

Each year we review our computer equipment and infrastructure to ensure our pupils and staff have the very best technology we can provide. We have upgraded our server, filtering service and internet connection.

**LADY JANE GREY PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Academy believes that all students and staff should benefit from outstanding health and wellbeing. This will drive the fundraising activities with a focus on external funding to provide another all weather sports field and community support to widen pupils engagement in alternative curricular activities. Environmental issues are also a high priority and we continue to develop our buildings to ensure they are more energy efficient.

**Funds held as custodian**

No funds are held on behalf of others.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 28 November 2018 and signed on its behalf by:



**Adam Knight**  
**Chair of Trustees**

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

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

**Governance**

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

Trustee	Meetings attended	Out of a possible
Adam Knight	6	6
Sarah Cadle	6	6
Juliet Martin	4	6
Eileen Brown	6	6
Michael FitzGerald	6	6
Amanda Williams	6	6
Alejandro Armellini	4	6
Judith Wyatt	5	6
Andrew Hurd	5	6
Abbasali Kapasi	3	3
Lisa Jones	2	3
Bhulesh Kachra	3	3

The key changes in the year were the appointments of three additional Trustees on 31 January 2018. There have been no Trustee resignations during the year.

The Board's work was typical for a primary academy of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with by the Trustees during their work.

A review of the Board's performance in the year is detailed below. Challenges encountered have been of a routine nature concerning finances, staff management and educational standards. The quality of data flowing to the Board is considered acceptable by Trustees based on their experience, their own observations, enquiries and judgements.

**Governance reviews:**

The Governors annual review of 2017/18 will be undertaken during the Autumn Term 2018 once whole school data has been reviewed and performance management has been carried out.

The Board of Trustees intends to conduct another self evaluation review during the forthcoming year.

The Finance and Business Committee is a subcommittee of the main Governing Body. Its purpose is to ensure the school has strategic plans in place to deliver effective teaching and learning within the school budget.

**LADY JANE GREY PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Adam Knight	4	4
Michael FitzGerald, Headteacher	4	4
Amanda Williams	3	4
Andrew Hurd	3	4
Abbasali Kapasi	2	2
Lisa Jones	1	2

**Review of Value for Money**

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

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

- maintaining outstanding educational outcomes year on year (as detailed below)
- taking an active role in collaborative working with other academies
- endeavouring to continually maintain and improve educational standards

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lady Jane Grey Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Business 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.

**LADY JANE GREY PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts and bank reconciliations

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

The latest internal audit visit was in September 2018. No material control issues were identified as a result of the internal auditor's review work.


**Review of Effectiveness**

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

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

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

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



**Adam Knight**  
**Chair of Trustees**



**Michael FitzGerald**  
**Accounting Officer**

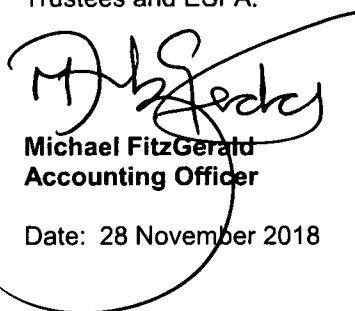
**LADY JANE GREY PRIMARY SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Michael Fitzgerald**  
**Accounting Officer**

Date: 28 November 2018

**LADY JANE GREY PRIMARY SCHOOL**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

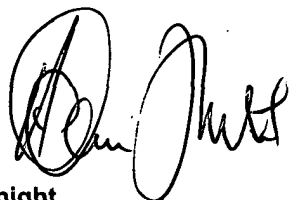
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 28 November 2018 and signed on its behalf by:



**Adam Knight**  
**Chair of Trustees**



**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LADY JANE GREY PRIMARY SCHOOL**

**Opinion**

We have audited the financial statements of Lady Jane Grey Primary School (the 'academy') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

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

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

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LADY JANE GREY PRIMARY SCHOOL**

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

**Responsibilities of trustees**

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

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

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

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

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

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LADY  
JANE GREY PRIMARY SCHOOL**

**Use of our report**

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

*Magma Audit LLP.*

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

**Magma Audit LLP**

Chartered Accountants  
Statutory Auditor

Unit 2, Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicester  
LE7 4UZ  
Date: 03/12/18

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LADY JANE GREY PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lady Jane Grey Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Lady Jane Grey Primary School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Lady Jane Grey Primary School's funding agreement with the Secretary of State for Education dated 1 October 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LADY JANE GREY PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**Conclusion**

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

*Magma Audit LLP*

Reporting Accountant

**Magma Audit LLP**

Chartered Accountants  
Statutory Auditor

Unit 2, Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicester  
LE7 4UZ

Date:

*03/12/18.*

**LADY JANE GREY PRIMARY SCHOOL**

**(A company limited by guarantee)**

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	12	1,369	6,554	7,935	57,247
Charitable activities	3	-	970,122	-	970,122	973,001
Other trading activities	4	88,350	-	-	88,350	67,959
Investments	5	118	-	-	118	153
<b>TOTAL INCOME</b>		<b>88,480</b>	<b>971,491</b>	<b>6,554</b>	<b>1,066,525</b>	<b>1,098,360</b>
<b>EXPENDITURE ON:</b>						
Raising funds		86,550	-	-	86,550	-
Charitable activities		7	919,871	90,867	1,010,745	1,134,296
Other expenditure		-	-	-	-	64,656
<b>TOTAL EXPENDITURE</b>	6	<b>86,557</b>	<b>919,871</b>	<b>90,867</b>	<b>1,097,295</b>	<b>1,198,952</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>1,923</b>	<b>51,620</b>	<b>(84,313)</b>	<b>(30,770)</b>	<b>(100,592)</b>
Transfers between funds	17	-	(23,182)	23,182	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>1,923</b>	<b>28,438</b>	<b>(61,131)</b>	<b>(30,770)</b>	<b>(100,592)</b>
Actuarial gains on defined benefit pension schemes	21	-	140,000	-	140,000	136,000
<b>NET MOVEMENT IN FUNDS</b>		<b>1,923</b>	<b>168,438</b>	<b>(61,131)</b>	<b>109,230</b>	<b>35,408</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		17,414	(316,739)	2,049,041	1,749,716	1,714,308
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>19,337</b>	<b>(148,301)</b>	<b>1,987,910</b>	<b>1,858,946</b>	<b>1,749,716</b>

The notes on pages 23 to 46 form part of these financial statements.

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08197353**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	2017 £
<b>FIXED ASSETS</b>				
Tangible assets	12		2,016,270	2,082,751
<b>CURRENT ASSETS</b>				
Stocks	13	1,106		1,600
Debtors	14	20,214		29,148
Cash at bank and in hand		226,068		153,281
		<u>247,388</u>		<u>184,029</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(68,784)		(102,704)
<b>NET CURRENT ASSETS</b>			<u>178,604</u>	<u>81,325</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,194,874</u>	<u>2,164,076</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		(21,928)	(28,360)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>2,172,946</u>	<u>2,135,716</u>
Defined benefit pension scheme liability	21		(314,000)	(386,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>1,858,946</u></u>	<u><u>1,749,716</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income fund	17	165,699		69,261
Fixed asset fund	17	1,987,910		2,049,041
Restricted income funds excluding pension liability		2,153,609		2,118,302
Pension reserve		(314,000)		(386,000)
Total restricted income funds			<u>1,839,609</u>	<u>1,732,302</u>
Unrestricted income funds	17		<u>19,337</u>	<u>17,414</u>
<b>TOTAL FUNDS</b>			<u><u>1,858,946</u></u>	<u><u>1,749,716</u></u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue, on 28 November 2018 and are signed on their behalf, by:

  
**Adam Knight**  
**Chair of Trustees**

The notes on pages 23 to 46 form part of these financial statements.

**LADY JANE GREY PRIMARY SCHOOL**  
(A company limited by guarantee)

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<u>96,933</u>	<u>(182,385)</u>
<b>Cash flows from investing activities:</b>			
Interest received		118	153
Purchase of tangible fixed assets		(24,386)	(60,075)
Capital grants from DfE and other capital income		<u>6,554</u>	<u>51,813</u>
<b>Net cash used in investing activities</b>		<u>(17,714)</u>	<u>(8,109)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(6,432)	(6,842)
<b>Net cash used in financing activities</b>		<u>(6,432)</u>	<u>(6,842)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>72,787</b>	<b>(197,336)</b>
Cash and cash equivalents at 1 September 2017		<u>153,281</u>	<u>350,617</u>
<b>Cash and cash equivalents at 31 August 2018</b>	20	<u><u>226,068</u></u>	<u><u>153,281</u></u>

The notes on pages 23 to 46 form part of these financial statements.



**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Lady Jane Grey Primary School constitutes a public benefit entity as defined by FRS 102.

**1.2 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants. The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at using the ESFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

**LADY JANE GREY PRIMARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

Leasehold buildings	-	2% Straight line
Leasehold land (125 year lease)	-	over 125 years
Furniture and fixtures	-	15% Straight line
Computer equipment	-	25% Straight line

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

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.8 STOCKS**

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

**1.9 TAXATION**

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

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

**1.10 CASH AT BANK AND IN HAND**

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

**1.11 LIABILITIES AND PROVISIONS**

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

Provisions are 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.

**LADY JANE GREY PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.12 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.13 PENSIONS**

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

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

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

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.

**Defined benefit pension scheme**

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

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	12	1,369	-	1,381	5,434
Capital grants	-	-	6,554	6,554	51,813
	<u>12</u>	<u>1,369</u>	<u>6,554</u>	<u>7,935</u>	<u>57,247</u>
Total 2017	<u>1,000</u>	<u>4,434</u>	<u>51,813</u>	<u>57,247</u>	

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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	824,142	824,142	831,817
Other DfE Group grants	-	93,791	93,791	84,540
	-	917,933	917,933	916,357
<b>Other government grants</b>				
Local Authority grants	-	27,164	27,164	36,553
	-	27,164	27,164	36,553
<b>Other funding</b>				
Catering income	-	20,393	20,393	15,288
Other income	-	4,632	4,632	4,803
	-	25,025	25,025	20,091
	-	970,122	970,122	973,001
Total 2017	-	973,001	973,001	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Breakfast & After School Club income	84,622	-	84,622	63,031
Lettings income	647	-	647	-
Sundry income	3,081	-	3,081	4,928
	88,350	-	88,350	67,959
Total 2017	67,959	-	67,959	

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**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	118	-	118	153
	<u>118</u>	<u>-</u>	<u>118</u>	<u>153</u>
Total 2017	153	-	153	
	<u>153</u>	<u>-</u>	<u>153</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	63,118	15,941	7,491	86,550	64,656
Educational Operations:					
Direct costs	637,609	68,150	43,112	748,871	828,800
Support costs	117,002	67,261	77,611	261,874	305,496
	<u>817,729</u>	<u>151,352</u>	<u>128,214</u>	<u>1,097,295</u>	<u>1,198,952</u>
Total 2017	912,406	137,217	149,329	1,198,952	
	<u>912,406</u>	<u>137,217</u>	<u>149,329</u>	<u>1,198,952</u>	



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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs - salaries	450,356	513,470
Teaching and educational support staff costs - NI	37,084	36,370
Teaching and educational support staff costs - pensions	133,589	140,000
LGPS pension interest cost (£27,000) less return on assets (£17,000)	10,000	10,000
Educational supplies	25,807	37,495
Staff development	7,305	12,700
Support staff costs	16,580	17,537
Depreciation	68,150	61,228
	<u>748,871</u>	<u>828,800</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff costs - salaries	91,210	118,140
Support staff costs - NI	5,012	6,634
Support staff costs - pensions	20,780	25,570
Maintenance of premises and equipment	13,695	25,192
Cleaning	3,153	3,706
Rates	5,819	5,466
Insurance	9,624	8,111
Depreciation	22,717	20,410
Catering	21,141	27,172
Other support costs	38,739	34,533
Technology costs	9,869	10,956
Energy costs	11,735	11,534
Governance costs	8,380	8,072
	<u>261,874</u>	<u>305,496</u>
	<u>1,010,745</u>	<u>1,134,296</u>
<b>OTHER ACTIVITIES</b>		
Support costs	-	64,656
	<u>1,010,745</u>	<u>1,198,952</u>

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

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- capitalised by the charity	90,867	81,638
Auditors' remuneration - audit	6,350	6,143
Auditors' remuneration - other services	915	888
Operating lease rentals	2,632	941
	<u>90,764</u>	<u>89,610</u>

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

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	593,360	667,014
Social security costs	45,466	44,618
Pension costs	162,323	172,801
	<hr/>	<hr/>
	801,149	884,433
Agency staff costs	16,580	17,537
Staff restructuring costs	-	10,436
	<hr/>	<hr/>
	817,729	912,406
	<hr/> <hr/>	<hr/> <hr/>
Staff restructuring costs comprise:		
Redundancy payments	-	5,485
Severance payments	-	4,951
	<hr/>	<hr/>
		10,436
	<hr/> <hr/>	<hr/> <hr/>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are redundancy payments totalling £NIL (2017 - £5,485) and non-statutory/non-contractual severance payments totalling £NIL (2017 - £4,951).

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	8	9
Administration and support	25	31
Management	1	1
	<hr/>	<hr/>
	34	41
	<hr/> <hr/>	<hr/> <hr/>

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

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**9. STAFF COSTS (continued)**

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2018, pension contributions for this staff member amounted to £12,297 (2017 - £11,880).

**e. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £258,768 (2017 - £254,121). These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.

**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

M Fitzgerald (Headteacher and Trustee)

Remuneration £70,000 - £75,000 (2017: £70,000 - £75,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

J Wyatt (Staff Trustee)

Remuneration £10,000 - £15,000 (2017: £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

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**12. TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2017	2,039,519	261,440	58,372	2,359,331
Additions	-	19,055	5,331	24,386
At 31 August 2018	2,039,519	280,495	63,703	2,383,717
<b>DEPRECIATION</b>				
At 1 September 2017	167,120	74,373	35,087	276,580
Charge for the year	39,290	40,214	11,363	90,867
At 31 August 2018	206,410	114,587	46,450	367,447
<b>NET BOOK VALUE</b>				
At 31 August 2018	1,833,109	165,908	17,253	2,016,270
At 31 August 2017	1,872,399	187,067	23,285	2,082,751

See note 1.3 regarding assets transferred on conversion.

**13. STOCKS**

	2018 £	2017 £
Classroom and other materials	1,106	1,600

**14. DEBTORS**

	2018 £	2017 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	319	2,923
VAT recoverable	11,878	10,697
Prepayments and accrued income	8,017	15,528
	20,214	29,148

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**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Other loans	6,432	6,432
Trade creditors	4,926	3,137
Other taxation and social security	11,413	11,057
Other creditors	12,513	23,415
Accruals and deferred income	33,500	58,663
	<u>68,784</u>	<u>102,704</u>

	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	25,961	25,432
Resources deferred during the year	25,064	25,961
Amounts released from previous years	(25,961)	(25,432)
Deferred income at 31 August 2018	<u>25,064</u>	<u>25,961</u>

The closing balance of deferred income relates mainly to Universal Infant Free School Meals received in advance of the 2018/19 academic year.

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

	2018 £	2017 £
Other loans	<u>21,928</u>	<u>28,360</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Other loans	<u>6,432</u>	<u>6,432</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Other loans	<u>15,496</u>	<u>18,028</u>
<b>OVER FIVE YEARS</b>		
Other loans	<u>-</u>	<u>3,900</u>

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

	2018 £	2017 £
Repayable by instalments	<u>-</u>	<u>3,900</u>

Other loans consists of Salix loans for energy saving capital works as approved by the Education and Skills Funding Agency. The loans are interest free and repayable as indicated.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	17,414	88,480	(86,557)	-	-	19,337
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	69,261	824,142	(711,581)	(16,123)	-	165,699
Pupil Premium	-	39,768	(39,768)	-	-	-
Other DfE Group grants	-	54,023	(46,964)	(7,059)	-	-
Other government grants	-	27,164	(27,164)	-	-	-
Other funding	-	25,025	(25,025)	-	-	-
Other restricted donations	-	1,369	(1,369)	-	-	-
Pension reserve	(386,000)	-	(68,000)	-	140,000	(314,000)
	<u>(316,739)</u>	<u>971,491</u>	<u>(919,871)</u>	<u>(23,182)</u>	<u>140,000</u>	<u>(148,301)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
DfE Group capital grants	460,561	6,554	(43,172)	5,977	-	429,920
Transfer from Local Authority	1,571,994	-	(33,475)	-	-	1,538,519
Capital expenditure from the GAG	16,486	-	(14,220)	17,205	-	19,471
	<u>2,049,041</u>	<u>6,554</u>	<u>(90,867)</u>	<u>23,182</u>	<u>-</u>	<u>1,987,910</u>
Total restricted funds	<u>1,732,302</u>	<u>978,045</u>	<u>(1,010,738)</u>	<u>-</u>	<u>140,000</u>	<u>1,839,609</u>
Total of funds	<u>1,749,716</u>	<u>1,066,525</u>	<u>(1,097,295)</u>	<u>-</u>	<u>140,000</u>	<u>1,858,946</u>

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

Restricted general funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

The DfE Group grants consist of Universal Infant Free School Meals (UIFSM) and PE Sports Grant. All funds have been spent in full within the year. The transfer from here relates to PE Sports grant spent on fixed asset additions in the year.

Other government grants consist of High Level Needs funding which has been fully spent within the year.

Other funding consists of catering income associated with the statutory obligation within the Academy's funding agreement and Children in Care funding. All funds have been fully spent within the year.

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**17. STATEMENT OF FUNDS (continued)**

Other restricted donations consists mainly of income received from the Home School Association for specific items of expenditure in the year. All donations were spent in full within the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to the value of £1,748,929 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the Academy on conversion. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent. The difference between the net book value of assets concerned and the funds carried forward is the amounts outstanding in respect of the Salix loans at the year end.

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>GENERAL FUNDS</b>						
General Funds	13,016	69,112	(64,714)	-	-	17,414
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	97,612	831,817	(843,982)	(16,186)	-	69,261
Pupil Premium	-	38,852	(38,852)	-	-	-
Other DfE Group grants	-	45,688	(45,688)	-	-	-
Other government grants	-	36,553	(36,553)	-	-	-
Other funding	-	20,091	(20,091)	-	-	-
Other restricted donations	-	2,920	(2,920)	-	-	-
Donations from HSA	-	1,514	(1,514)	-	-	-
Pension reserve	(459,000)	-	(63,000)	-	136,000	(386,000)
	<u>(361,388)</u>	<u>977,435</u>	<u>(1,052,600)</u>	<u>(16,186)</u>	<u>136,000</u>	<u>(316,739)</u>



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**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

DfE Group capital grants	433,368	51,813	(27,058)	2,438	-	460,561
Transfer from Local Authority	1,605,768	-	(33,774)	-	-	1,571,994
Capital expenditure from the GAG	23,544	-	(20,806)	13,748	-	16,486
	<u>2,062,680</u>	<u>51,813</u>	<u>(81,638)</u>	<u>16,186</u>	<u>-</u>	<u>2,049,041</u>
Total restricted funds	<u>1,701,292</u>	<u>1,029,248</u>	<u>(1,134,238)</u>	<u>-</u>	<u>136,000</u>	<u>1,732,302</u>
Total of funds	<u>1,714,308</u>	<u>1,098,360</u>	<u>(1,198,952)</u>	<u>-</u>	<u>136,000</u>	<u>1,749,716</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,016,270	2,016,270
Current assets	19,337	228,051	-	247,388
Current liabilities	-	(62,352)	(6,432)	(68,784)
Non-current liabilities	-	-	(21,928)	(21,928)
Pension scheme liability	-	(314,000)	-	(314,000)
	<u>19,337</u>	<u>(148,301)</u>	<u>1,987,910</u>	<u>1,858,946</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,082,751	2,082,751
Current assets	17,414	165,533	1,082	184,029
Current liabilities	-	(96,272)	(6,432)	(102,704)
Non-current liabilities	-	-	(28,360)	(28,360)
Pension scheme liability	-	(386,000)	-	(386,000)
	<u>17,414</u>	<u>(316,739)</u>	<u>2,049,041</u>	<u>1,749,716</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(30,770)	(100,592)
<b>Adjustment for:</b>		
Depreciation charges	90,867	81,638
Interest receivable	(118)	(153)
Decrease/(increase) in stocks	491	(2)
Decrease in debtors	8,934	143,335
Decrease in creditors	(33,917)	(317,798)
Capital grants from DfE and other capital income	(6,554)	(51,813)
Defined benefit pension scheme cost less contributions payable	58,000	53,000
Defined benefit pension scheme finance cost	10,000	10,000
<b>Net cash provided by/(used in) operating activities</b>	<b>96,933</b>	<b>(182,385)</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	226,068	153,281
<b>Total</b>	<b>226,068</b>	<b>153,281</b>

**21. PENSION COMMITMENTS**

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

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

Contributions amounting to £12,513 were payable to the schemes at 31 August 2018 (2017 - £12,947) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS

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**21. PENSION COMMITMENTS (continued)**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £48,829 (2017 - £49,580).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £73,000 (2017 - £90,000), of which employer's contributions totalled £58,000 (2017 - £71,000) and employees' contributions totalled £15,000 (2017 - £19,000). The agreed contribution rates for future years are 23.4 - 24.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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**21. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	2017
Retiring today		
Males	<b>22.1</b>	22.1
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>23.8</b>	23.8
Females	<b>26.2</b>	26.2

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**21. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
Equities	462,000	431,000
Bonds	201,000	129,000
Property	67,000	52,000
Cash	15,000	32,000
	<hr/>	<hr/>
Total market value of assets	745,000	644,000
	<hr/>	<hr/>

The actual return on scheme assets was £32,000 (2017 - £29,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

**Asset model**

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2017 for the year to 31 August 2018, or date of joining the fund if later).

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**21. PENSION COMMITMENTS (continued)**

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(116,000)	(124,000)
Interest income	17,000	12,000
Interest cost	(27,000)	(22,000)
	<hr/>	<hr/>
Total	(126,000)	(134,000)
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	1,030,000	987,000
Current service cost	116,000	124,000
Interest cost	27,000	22,000
Employee contributions	15,000	19,000
Actuarial gains	(125,000)	(119,000)
Benefits paid	(4,000)	(3,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,059,000	1,030,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening fair value of scheme assets	644,000	528,000
Interest income	17,000	12,000
Actuarial gains	15,000	17,000
Employer contributions	58,000	71,000
Employee contributions	15,000	19,000
Benefits paid	(4,000)	(3,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	745,000	644,000
	<hr/>	<hr/>

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

**Change in assumptions as at 31 August 2018:**

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	15%	156,000
0.5% increase in the Salary Increase Rate	2%	24,000
0.5% increase in the Pension Increase Rate	12%	130,000

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**22. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	4,173	1,074
Between 1 and 5 years	31,616	1,699
Total	<u>35,789</u>	<u>2,773</u>

**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

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

**Expenditure Related Party Transaction**

Michael Fitzgerald (The Headteacher and a Trustee of the academy) has the following interests:

- The academy purchased cleaning services and premises maintenance from Kim Barker (Michael Fitzgerald's sister-in-law) totalling £380 (2017 - £220) during the period. There were no amounts outstanding at 31 August 2018 (2017 - £NIL).
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Michael Fitzgerald neither participated in nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

B Thorn, mother-in-law of A Knight, Chair of Trustees of the academy, is employed by the academy trust as a midday supervisor and cleaner. B Thorn's appointment was made in open competition and A Knight was not involved in the decision making process regarding appointment. B Thorn is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

N Helgeson, sister-in-law of A Knight, Chair of Trustees of the academy, is employed by the academy trust as a teaching assistant and cleaner. N Helgeson's appointment was made in open competition and A Knight was not involved in the decision making process regarding appointment. N Helgeson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

No other related party transactions took place in either the current or prior year, other than certain Trustee's remuneration already disclosed in note 10.

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**25. CONNECTED CHARITIES**

The Lady Jane Grey Home School Association charity raises money for the school and then, in line with its own board decisions, donates funds for particular projects or assets for the benefit of the academy. The net assets of the charity as at 31 August 2018 were £10,305 (2017 - £8,006). The charity's annual gross income was £4,978 (2017 - £3,694), its expenditure was £2,679 (2017 - £2,438) and its surplus for the year was £2,299 (2017 - £1,256).