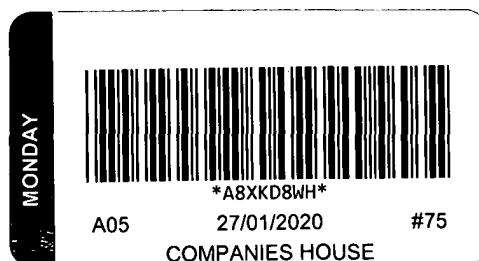


FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr M J Howell Mr M A Banner Mr G Rose Mrs F E Alder (resigned 31 August 2019) Mrs M Mobley Mrs M Dalton (appointed 1 September 2019)
Trustees	Mr M A Banner Mr G Rose Mrs F E Alder (resigned 31 August 2019) Ms P Erol Mr S Dhillon Mr P R Havis Mrs C Howell Mrs K J Perry Mr J M L Todd Mrs M Mobley Mrs M Dalton (appointed 1 September 2019) Mr T Wistow (appointed 23 October 2018) Mr M J Howell
Company registered number	08436788
Company name	Flamstead End School
Registered and principal office	Longfield Lane Cheshunt Waltham Cross Herts EN7 6AG
Company Secretary	Mrs K Perry
Chief Executive Officer	Mrs F E Alder (resigned 31 August 2019) Mrs M Dalton (appointed 1 September 2019)
Senior Leadership Team	Mrs F E Alder, Headteacher (resigned 31 August 2019) Mrs M Dalton, Headteacher (appointed 1 September 2019) Mrs K J Perry, Business Manager Mrs K Palmer, Assistant Headteacher Mrs C Desmond, Assistant Headteacher Mr P Earl, Assistant Headteacher (resigned 31 August 2019)

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
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Bankers	Lloyds Bank Plc
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FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditors' Report of Flamstead End School (the Charitable Company or the Trust) for the year ended 31 August 2019. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates Flamstead End School (the School or the Academy) for pupils aged 2-11 serving the catchment area of Flamstead End and the surrounding area. It has a pupil capacity of 420, plus a nursery unit of 60 and a pre-school of up to 48 part-time places daily. In addition, the School operates a designated reserved provision for pupils with special educational needs (SEN Unit or Resourced Provision) for up to 10 planned places for pupils with speech and language SEN in the age range 4-7.

There were 496 pupils on roll on the summer 2019 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased protection for Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Department for Education, Risk Protection Arrangement (RPA), provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The Members may appoint up to 11 Trustees subject to Article 50. The Members may appoint Staff Trustees through such process as they may determine. The total number of Trustees who are employees of the Trust (including the Headteacher) must not exceed the lower of three or one third of the total number of Trustees. The Headteacher shall be treated for all purposes as being an ex officio Trustee. Subject to Article 52, Parent Trustees shall be elected by parents of registered pupils at the Academy and must be a parent of a pupil at the Academy at the time elected. The Trustees may also appoint Co-opted Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by School staff and links with a number of local training providers. New Trustees are given an induction pack and paired with another Trustee as a mentor. Procedures for new Trustee's induction are included within the 'Trustees Induction Policy'.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Trust Board, which met on eight occasions in the year, is responsible for the strategic direction of the Trust. The Trust Board reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

The Headteacher is the designated Accounting Officer and has overall responsibility for its day to day financial management. The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Trust Board as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, individual salary range, the pay scales for each role and the level of experience of each staff member. In addition, pay scales may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. All amendments to key management's pay and remuneration are approved by the appropriate committee within the discretion and responsibility devolved to them.

Connected Organisations and Related Parties

Owing to the nature of the Trust's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Any transaction where a Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The principal object and aim of the Trust is the operation of Flamstead End School to provide excellent education and care for pupils of different abilities between the ages of 2 and 11, as already assessed by Ofsted during 2015 and awarded an 'Outstanding' status.

Strategies and Activities

During the year the Trustees have worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils and reducing the attainment gap for those eligible for free school meals;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Trust's business in accordance with the highest standards of integrity.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

At Flamstead End School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

The School continued its mission to ensure students achieved their potential; encouraged a wide range of extra-curricular activities; developed and retained suitable staff.

Key Performance Indicators

The Trustees receive termly information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets. As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for September 2019 were full. Another key financial performance indicator is staffing costs as a percentage of total income, for 2018/19 this was 68.9%. The Trustees are confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures.

The Finance Committee, together with Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within set parameters.

Going Concern

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

FINANCIAL REVIEW

The principal source of funding for the Trust is the GAG and other grants that it receives from the ESFA. For the year ended 31 August 2019 the Trust received £2,199,453 of GAG and other funding (see Note 4). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,470,601 and transferred £11,817 to support capital new build and improvements on the School site. The Trust brought forward from 17/18 £3,160,153 restricted funds and £464,014 unrestricted funding. The carry forward for 18/19 is £2,800,864 restricted funding and £549,946 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £966,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitored estimated year-end carry forward figures by the reports from the Business Manager, discussed within each Board of Trustees meeting. The medium term finance plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £549,946. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

Reserves are held for:

- meet any unforeseen emergency or unexpected needs for funds for example: urgent site/premises repairs or replacements;
- provide time to take action should funding levels fall or expenditure levels rise, for example: to enable the Trust the option to respond through natural wastage rather than through redundancy of staff;
- meet planned commitments that cannot be met through future income alone for example:
- already identified larger site/premises repairs/replacements that are unsuccessful through annual Government funding bids, major asset purchase or extension; and
- fund short term deficits in cash whilst waiting receipt of funding.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £935,022 which is made up of cash of £733,313 and £201,709 held in a 12 month fixed term deposit as per the investment policy below.

Investment Policy

An Investment Policy was approved by the Board of Trustees on 13 September 2017 and reviewed/renewed in July 2019. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are considered for investment in such a way as to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow, taking into account prevailing interest rates and the time requirement to consider and administer funds movements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on at least an annual basis and the internal control systems and the exposure to any risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The level of financial risk is considered relatively low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this has been managed downwards with contingencies in place to cover such items as sickness and maternity. A Medium Term Finance Plan is reviewed at least twice per year to assess the expected financial position up to five years in advance.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area would arise from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has appointed Internal Auditors from Price Bailey LLP to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- Financial Instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding as part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

FUNDRAISING

The Trust only held small fundraising events during the year including requesting contributions towards additional resources - in addition to non-uniform days to raise funds for donating to charities (e.g. Jeans for Genes). The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

PLANS FOR FUTURE PERIODS

The School continues to review the provision of the speech and language unit in the light of proposed funding methods and allocation of places by Hertfordshire County Council.

- During 2019/20 the School will be making two Condition Improvement Funding bids (2020/2021 round) to complete the update the heating system (KS1) and complete the replacement of the KS2 roof.

FLAMSTEAD END SCHOOL
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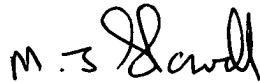
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

PROVISION 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 the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 21/11/2019 and signed on its behalf by:



Mr M J Howell
Chair of Trustees



Mrs M Dalton
Accounting Officer (from 1 September 2019)

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Flamstead End 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 Flamstead End 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 8 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
Mr M A Banner	7	8
Mr G Rose	7	8
Mrs F E Alder	8	8
Ms P Erol	3	8
Mr S Dhillon	2	8
Mr P R Havis	7	8
Mrs C Howell	8	8
Mrs K J Perry	8	8
Mr J M L Todd	3	8
Mrs M Mobley	7	8
Mrs M Dalton	0	0
Mr T Wistow	5	6
Mr M J Howell	8	8

Mike Howell (Chair of Governors) general term of office expired early in the year, Mr Howell was duly re-elected for a further four year term and was also re-elected as Board Chair.

During Spring 2019, the Headteacher gave notice of resignation as at 31/08/2019. This was a key composition change and a challenge to appoint a successor during the spring and summer 2019 terms, for 2019/20. This appointment process was carried out effectively by the Board, and after open competition a successor was appointed during April 2019 for the following school year.

The Head of Upper School also resigned (due to geographical relocation) as at the end of the academic year

During 2018/19 the majority of the Trustees remained static, with the exception of a replacement staff Governor. In the knowledge of a parent Governor vacancy arising in November 2019, the Board will be encouraging applications particularly from parents with legal, human resources or surveying professional expertise. A formal self-evaluation and an external review of governance is planned for 2019/20.

The Finance and Personnel Committee is a sub-committee of the Board of Trustees. Its main purpose is to consider and recommend for approval by the Board, the three year budget plan submitted by the School. Then to receive and review monitoring reports of any variations against the profiled budgets as the year progresses, reviewing the longer term plan accordingly. Additionally the Committee is responsible for ensuring financial controls are in place and tested for compliance of both the School and the Academies Financial Handbook.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Taking into account the forthcoming changes within the school senior leadership team (see above) the School and Governors carefully prepared a medium term financial plan. The incumbent and incoming Headteachers were both involved in the decisions and planning will continue throughout 2019/20 to ensure long term financial viability.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Howell	6	6
Mr M Banner	6	6
Mr G Rose	5	6
Mr P Havis	2	6
Mrs F Alder	6	6
Mrs K Perry	6	6

Review of value for money

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

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

- Continuing commitment to the internal programme of premises remodelling throughout the year. Classrooms have been internally remodelled and renovated by the school site staff. This involved efficient working and adaptations by staff with the outcome being a better, more fit for purpose classroom environment for pupils and staff. The cost compared to employing outside contractors was considered extremely good value.
- The School committed time to considering, involving specialist surveyors and writing/managing funding bids for the government Condition Improvement Fund (CIF). One relatively large bid was successful with £180,071 funding awarded towards the de-commissioning of the closed outdoor swimming pool, and for a sports court to take its place. This was completed during summer 2019.
- With it known that a member of SLT was leaving at the end of the academic year, the decision was taken not to advertise for a replacement to the post and work with a reduced team for the following academic year. The incumbent and incoming Headteachers recommended the SLT structure would be reconsidered in line with School needs and finance planning during 2019/20.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Flamstead End School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. The Board of Trustees regularly reviews this process.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

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

- Professional Internal Audit review and report on Key Financial Controls

The Internal Auditor reports to the Board of Trustees through the Finance and Personnel Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no control issues arising.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

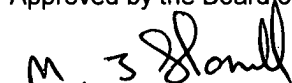
Review of effectiveness

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:

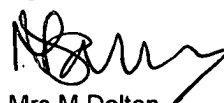
- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Personnel Committee, and as there are no identified weaknesses a plan for this is not required, although there is one to ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 21/11/2019 and signed on their behalf by:



Mr M J Howell
Chair of Trustees



Mrs M Dalton
Accounting Officer

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Flamstead End School I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



Mrs M Dalton
Accounting Officer (from 1 September 2019)

Date: 02.12.19

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

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

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

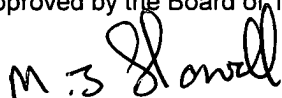
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by the Board of Trustees on 21/11/2019 and signed on its behalf by:



Mr M J Howell
Chair of Trustees

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Flamstead End School (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust 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 Trust'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.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company 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 Trust'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 Trust 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. This description forms part of our Auditors' Report.

Use of our report

This Report is made solely to the Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller FCA (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

9 December 2019

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 12 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Flamstead End School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Flamstead End School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Flamstead End School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Flamstead End School and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Flamstead End School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Flamstead End School's funding agreement with the Secretary of State for Education dated 12 October 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant

Price Bailey LLP

Chartered Accountants

Date: 9 December 2019

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	2,600	18,998	207,679	229,277	40,366
Charitable activities	4	30,669	2,168,784	-	2,199,453	2,153,466
Other trading activities	5	24,017	24,406	-	48,423	45,488
Investments	6	2,091	-	-	2,091	326
Total income		<u>59,377</u>	<u>2,212,188</u>	<u>207,679</u>	<u>2,479,244</u>	<u>2,239,646</u>
Expenditure on:						
Charitable activities		-	2,217,119	253,482	2,470,601	2,231,949
Total expenditure	7	<u>-</u>	<u>2,217,119</u>	<u>253,482</u>	<u>2,470,601</u>	<u>2,231,949</u>
Net income/ (expenditure)		<u>59,377</u>	<u>(4,931)</u>	<u>(45,803)</u>	<u>8,643</u>	<u>7,697</u>
Transfers between funds	17	26,555	(39,222)	12,667	-	-
Net movement in funds before other recognised gains/(losses)		<u>85,932</u>	<u>(44,153)</u>	<u>(33,136)</u>	<u>8,643</u>	<u>7,697</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(282,000)	-	(282,000)	139,000
Net movement in funds		<u>85,932</u>	<u>(326,153)</u>	<u>(33,136)</u>	<u>(273,357)</u>	<u>146,697</u>
Reconciliation of funds:						
Total funds brought forward		464,014	(434,691)	3,594,844	3,624,167	3,477,470
Net movement in funds		85,932	(326,153)	(33,136)	(273,357)	146,697
Total funds carried forward		<u>549,946</u>	<u>(760,844)</u>	<u>3,561,708</u>	<u>3,350,810</u>	<u>3,624,167</u>

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08436788

BALANCE SHEET
AS AT 31 AUGUST 2019

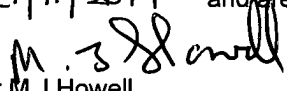
	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	13	3,528,986	3,594,844
Current assets			
Debtors	14	112,637	42,089
Investments	15	201,709	200,000
Cash at bank and in hand	21	733,313	552,918
		<u>1,047,659</u>	<u>795,007</u>
Creditors: amounts falling due within one year	16	(259,835)	(154,684)
Net current assets		<u>787,824</u>	<u>640,323</u>
Total assets less current liabilities		<u>4,316,810</u>	<u>4,235,167</u>
Net assets excluding pension liability		<u>4,316,810</u>	<u>4,235,167</u>
Defined benefit pension scheme liability	23	(966,000)	(611,000)
Total net assets		<u><u>3,350,810</u></u>	<u><u>3,624,167</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	3,561,708	3,594,844
Restricted income funds	17	205,156	176,309
		<u>3,766,864</u>	<u>3,771,153</u>
Restricted funds excluding pension liability	17	3,766,864	3,771,153
Pension reserve	17	(966,000)	(611,000)
Total restricted funds	17	<u>2,800,864</u>	<u>3,160,153</u>
Unrestricted income funds	17	<u>549,946</u>	<u>464,014</u>
Total funds		<u><u>3,350,810</u></u>	<u><u>3,624,167</u></u>

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue on 21/11/2019 and are signed on their behalf, by:


Mr M J Howell
Chair of Trustees

The notes on pages 24 to 46 form part of these financial statements.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	17,073	26,101
Cash flows from investing activities	20	165,031	9,670
Change in cash and cash equivalents in the year		182,104	35,771
Cash and cash equivalents at the beginning of the year		752,918	717,147
Cash and cash equivalents at the end of the year	21	<u>935,022</u>	<u>752,918</u>

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Trust is a company registered in England & Wales and limited by guarantee. Members are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The registered office is Longfield Lane, Cheshunt, Hertfordshire, EN7 6AG.

1.3 Fund accounting

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

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

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

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

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

Grants are included in the Statement of Financial Activities (Incorporating the 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

- **Other income**

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

1.5 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Leasehold property	- 125 years straight line
Leasehold improvements	- 25-35 years straight line
Computer equipment	- 5 years straight line

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

1.8 Taxation

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

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

Deposits of greater than three months and not greater than one year are held as current asset investments.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Provisions

Provisions are recognised when the 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.

1.13 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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 instrument.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted Fixed Assets funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	2,600	18,998	-	21,598	31,022
Capital grants	-	-	207,679	207,679	9,344
	<u>2,600</u>	<u>18,998</u>	<u>207,679</u>	<u>229,277</u>	<u>40,366</u>
Total 2018	<u>10,721</u>	<u>20,301</u>	<u>9,344</u>	<u>40,366</u>	

In 2018, income from donations was £31,022 of which £10,721 was unrestricted and £20,301 restricted.

In 2019, capital grants of £207,679 (2018 - £9,344) were in relation to restricted fixed assets.

4. Funding for the Trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,677,111	1,677,111	1,640,442
Other DfE / EFA grants	-	225,321	225,321	207,890
	<u>-</u>	<u>1,902,432</u>	<u>1,902,432</u>	<u>1,848,332</u>
Other Government grants				
Local Authority grants	-	266,352	266,352	271,342
	<u>-</u>	<u>266,352</u>	<u>266,352</u>	<u>271,342</u>
Other funding				
Catering income	30,669	-	30,669	33,792
	<u>30,669</u>	<u>-</u>	<u>30,669</u>	<u>33,792</u>
	<u>30,669</u>	<u>2,168,784</u>	<u>2,199,453</u>	<u>2,153,466</u>
Total 2018	<u>33,792</u>	<u>2,119,674</u>	<u>2,153,466</u>	

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the Trust's provision of education (continued)

In 2018, income from DFE/ESFA grants was £1,848,332 of which all was restricted.

In 2018, income from other government grants was £271,342 of which all was restricted.

In 2018, income from catering was £33,792 of which all was unrestricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational trips	-	23,920	23,920	20,904
Other activities	19,504	486	19,990	20,738
Hire of facilities	4,513	-	4,513	3,846
	<u>24,017</u>	<u>24,406</u>	<u>48,423</u>	<u>45,488</u>
Total 2018	<u>23,065</u>	<u>22,423</u>	<u>45,488</u>	

In 2018, educational trips was £20,904 of which all was restricted.

In 2018, other activities was £20,738 of which £19,219 was unrestricted and £1,519 restricted.

In 2018, hire of facilities was £3,846 of which all was unrestricted.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest received	<u>2,091</u>	<u>2,091</u>	<u>326</u>

In 2018, all investment income was in relation to unrestricted funds.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of education:					
Direct costs	1,377,472	7,808	188,186	1,573,466	1,595,615
Support costs	331,165	388,034	177,936	897,135	636,334
	<u>1,708,637</u>	<u>395,842</u>	<u>366,122</u>	<u>2,470,601</u>	<u>2,231,949</u>
Total 2018	<u>1,691,163</u>	<u>263,808</u>	<u>276,978</u>	<u>2,231,949</u>	

In 2018, of total expenditure, £NIL was to unrestricted funds and £2,139,794 was to restricted funds and £92,155 was to restricted fixed asset funds.

In 2018, direct expenditure consisted of £1,402,332 staff costs, £18,432 premises costs and £174,851 other costs.

In 2018, support expenditure consisted of £288,831 staff costs, £245,376 premises costs and £102,127 other costs.

8. Charitable Activities

	2019 £	2018 £
Direct costs	1,573,466	1,595,615
Support costs	897,135	636,334
	<u>2,470,601</u>	<u>2,231,949</u>
Analysis of support costs		
Support staff costs	331,165	288,831
Depreciation	74,193	81,207
Technology costs	8,975	9,531
Premises costs	313,841	164,169
Other support costs	155,734	78,661
Governance costs	13,227	13,935
	<u>897,135</u>	<u>636,334</u>

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FOR THE YEAR ENDED 31 AUGUST 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	74,193	81,207
Fees paid to Auditors for:		
- audit	5,030	4,890
- other services	5,005	5,645
	<u>5,030</u>	<u>5,645</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,262,340	1,283,922
Social security costs	90,450	94,471
Pension costs	288,224	309,591
	<u>1,641,014</u>	<u>1,687,984</u>
Agency staff costs	67,623	3,179
	<u>1,708,637</u>	<u>1,691,163</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	18	19
Administration and support	36	38
Management	5	5
	<u>59</u>	<u>62</u>

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

10. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	16	17
Administration and support	21	23
Management	5	4
	<u>42</u>	<u>44</u>

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust was £331,571 (2018 - £350,192).

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

11. Trustees' remuneration and expenses

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

		2019 £	2018 £
Mrs F E Alder (resigned 31 August 2019)	Remuneration	60,000 - 65,000	55,000 - 60,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mrs K J Perry	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mr T Wistow (appointed 23 October 2018)	Remuneration	20,000 - 25,000	

During the year ended 31 August 2019, expenses totalling £81 were reimbursed or paid directly to 2 Trustees (2018 - £41 to 1 Trustee).

12. Trustees' and Officers' insurance

The Trust has opted into the Department of 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 membership.

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

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018 (reclassified)	3,575,836	159,351	185,035	3,920,222
Additions	-	8,725	-	8,725
Disposals	-	(850)	-	(850)
At 31 August 2019	<u>3,575,836</u>	<u>167,226</u>	<u>185,035</u>	<u>3,928,097</u>
Depreciation				
At 1 September 2018 (reclassified)	148,363	65,884	111,131	325,378
Charge for the year	29,666	14,944	29,583	74,193
On disposals	-	(460)	-	(460)
At 31 August 2019	<u>178,029</u>	<u>80,368</u>	<u>140,714</u>	<u>399,111</u>
Net book value				
At 31 August 2019	<u>3,397,807</u>	<u>86,858</u>	<u>44,321</u>	<u>3,528,986</u>
At 31 August 2018	<u>3,427,473</u>	<u>93,467</u>	<u>73,904</u>	<u>3,594,844</u>

The allocation of cost and depreciation at 1 September 2018 for furniture and equipment and computer equipment has been reclassified. The total net book value has remained unchanged.

14. Debtors

	2019 £	2018 £
Due within one year		
VAT recoverable	39,599	8,410
Prepayments and accrued income	73,038	33,679
	<u>112,637</u>	<u>42,089</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Current asset investments

	2019 £	As restated 2018 £
Cash held on deposit	201,709	200,000

The allocation of cash held on deposit and cash at bank has been reclassified.

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	25,043	24,437
Other creditors	27,675	26,679
Accruals and deferred income	207,117	103,568
	<u>259,835</u>	<u>154,684</u>

	2019 £	2018 £
Deferred income at 1 September 2018	52,352	64,087
Resources deferred during the year	50,997	52,352
Amounts released from previous periods	(52,352)	(64,087)
	<u>50,997</u>	<u>52,352</u>

The deferred income in the year represents universal free school meals income received in advance of £37,218, with the remainder relating to various income streams lower than £5,000.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	464,014	59,377	-	26,555	-	549,946
Restricted general funds						
GAG	176,309	1,677,711	(1,644,922)	(3,942)	-	205,156
Pupil Premium	-	125,818	(125,818)	-	-	-
Restricted trip donations	-	23,920	(23,920)	-	-	-
Other Government Grants	-	161,048	(161,048)	-	-	-
Pre-School	-	113,706	(78,426)	(35,280)	-	-
Other ESFA/DFE	-	109,985	(109,985)	-	-	-
Pension reserve	(611,000)	-	(73,000)	-	(282,000)	(966,000)
	<u>(434,691)</u>	<u>2,212,188</u>	<u>(2,217,119)</u>	<u>(39,222)</u>	<u>(282,000)</u>	<u>(760,844)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	3,594,844	-	(74,583)	8,725	-	3,528,986
DFC	-	27,608	-	(27,608)	-	-
CIF	-	180,071	(178,899)	31,550	-	32,722
	<u>3,594,844</u>	<u>207,679</u>	<u>(253,482)</u>	<u>12,667</u>	<u>-</u>	<u>3,561,708</u>
Total restricted funds	<u>3,160,153</u>	<u>2,419,867</u>	<u>(2,470,601)</u>	<u>(26,555)</u>	<u>(282,000)</u>	<u>2,800,864</u>
Total funds	<u><u>3,624,167</u></u>	<u><u>2,479,244</u></u>	<u><u>(2,470,601)</u></u>	<u><u>-</u></u>	<u><u>(282,000)</u></u>	<u><u>3,350,810</u></u>

FLAMSTEAD END SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

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

Pupil Premium

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Restricted Trip Donations

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Pre School

Government grants and parental contributions were received to enable the facilities to pay all staff together with other services and obligations.

The pre-school balance of £35,280 has been transferred to unrestricted funds to reflect line and senior management time, teacher time, plus other resource undertaken by school finance and administration staff.

Other ESFA/DfE

This represents funding received from the ESFA/DfE which is restricted in nature.

Pension Reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Fund

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

Devolved Formula Capital (DFC) Fund

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

Conditional Improvement Grant

The Trust is to use this funding to infill the outdoor swimming pool and remodel the area (including outbuildings) into a sports area.

Transfers

The transfer between funds represents the net adjustment for additions purchased during the year.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

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

17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	360,201	67,904	-	35,909	-	464,014
Restricted general funds						
GAG	95,312	1,640,442	(1,565,747)	6,302	-	176,309
Pupil Premium	-	120,227	(120,227)	-	-	-
Restricted trip donations	-	20,904	(20,904)	-	-	-
Other Government grants	-	179,207	(179,207)	-	-	-
Pre-School	-	113,955	(78,046)	(35,909)	-	-
Other ESFA/DFE	-	87,663	(87,663)	-	-	-
Pension reserve	(662,000)	-	(88,000)	-	139,000	(611,000)
	<u>(566,688)</u>	<u>2,162,398</u>	<u>(2,139,794)</u>	<u>(29,607)</u>	<u>139,000</u>	<u>(434,691)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	3,676,051	-	(81,207)	-	-	3,594,844
DFC	-	9,344	(3,042)	(6,302)	-	-
CIF	7,906	-	(7,906)	-	-	-
	<u>3,683,957</u>	<u>9,344</u>	<u>(92,155)</u>	<u>(6,302)</u>	<u>-</u>	<u>3,594,844</u>
Total restricted funds	<u>3,117,269</u>	<u>2,171,742</u>	<u>(2,231,949)</u>	<u>(35,909)</u>	<u>139,000</u>	<u>3,160,153</u>
Total funds	<u><u>3,477,470</u></u>	<u><u>2,239,646</u></u>	<u><u>(2,231,949)</u></u>	<u><u>-</u></u>	<u><u>139,000</u></u>	<u><u>3,624,167</u></u>

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,528,986	3,528,986
Current assets	549,946	410,571	87,142	1,047,659
Creditors due within one year	-	(205,415)	(54,420)	(259,835)
Provisions for liabilities and charges	-	(966,000)	-	(966,000)
Total	549,946	(760,844)	3,561,708	3,350,810

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,594,844	3,594,844
Current assets	464,014	330,993	-	795,007
Creditors due within one year	-	(154,684)	-	(154,684)
Provisions for liabilities and charges	-	(611,000)	-	(611,000)
Total	464,014	(434,691)	3,594,844	3,624,167

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

19. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	8,643	7,697
Adjustments for:		
Depreciation and disposal of fixed assets	74,583	81,207
Capital grants from DfE and other capital income receivable	(207,679)	(9,344)
Interest receivable	(2,091)	(326)
Defined benefit pension scheme cost less contributions payable	73,000	88,000
(Increase)/decrease in debtors	(34,534)	23,726
Increase/(decrease) in creditors	105,151	(164,859)
Net cash provided by operating activities	<u>17,073</u>	<u>26,101</u>

20. Cash flows from investing activities

	2019 £	2018 £
Interest	2,091	326
Purchase of tangible fixed assets	(8,725)	-
Capital grants from DfE Group received in the year	171,665	9,344
Net cash provided by investing activities	<u>165,031</u>	<u>9,670</u>

21. Analysis of cash and cash equivalents

	2019 £	As restated 2018 £
Cash in hand	733,313	552,918
Cash held on deposit	201,709	200,000
Total cash and cash equivalents	<u>935,022</u>	<u>752,918</u>

22. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up 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.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments

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

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

Contributions amounting to £27,568 were payable to the schemes at 31 August 2019 (2018 - £26,550) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the year amounted to £127,737 (2018 - £130,277).

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

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

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

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £129,000 (2018 - £134,000), of which employer's contributions totalled £104,000 (2018 - £108,000) and employees' contributions totalled £ 25,000 (2018 - £26,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5-7.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.4	2.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.5	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.0	26.7

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

As at the 31st August 2019 the Trust had a pension liability of £966,000 (2018 - £611,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	(55,000)	(41,000)
Discount rate -0.1%	55,000	41,000
Mortality assumption - 1 year increase	17,008	12,488
Mortality assumption - 1 year decrease	(17,000)	(12,000)
CPI rate +0.1%	47,000	34,000
CPI rate -0.1%	(47,000)	(34,000)
	<u> </u>	<u> </u>

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

	2019 £	2018 £
Equities	568,000	504,000
Corporate bonds	452,000	332,000
Property	93,000	76,000
Cash and other liquid assets	47,000	38,000
Total market value of assets	<u>1,160,000</u>	<u>950,000</u>

The actual return on scheme assets was £87,000 (2018 - £45,000).

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

	2019 £	2018 £
Current service cost	(157,000)	(179,000)
Past service cost	(2,000)	-
Interest income	28,000	21,000
Interest cost	(46,000)	(38,000)
Total amount recognised in the Statement of Financial Activities	<u>(177,000)</u>	<u>(196,000)</u>

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,561,000	1,437,000
Current service cost	157,000	179,000
Interest cost	46,000	38,000
Employee contributions	25,000	26,000
Actuarial losses/(gains)	341,000	(115,000)
Benefits paid	(6,000)	(4,000)
Past service cost	2,000	-
At 31 August	<u>2,126,000</u>	<u>1,561,000</u>

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

	2019 £	2018 £
At 1 September	950,000	775,000
Interest income	28,000	21,000
Actuarial gains	59,000	24,000
Employer contributions	104,000	108,000
Employee contributions	25,000	26,000
Benefits paid	(6,000)	(4,000)
At 31 August	<u>1,160,000</u>	<u>950,000</u>

24. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	1,469	901
Later than 1 year and not later than 5 years	4,408	-
	<u>5,877</u>	<u>901</u>

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

25. Related party transactions

Owing to the nature of the Academy 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 a Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

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