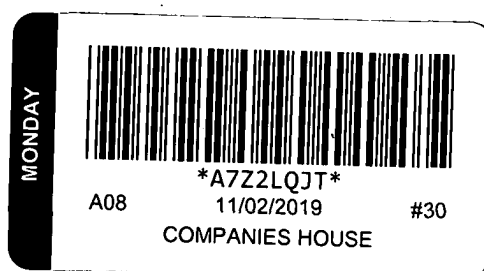


Registered number: 08436788

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 6
Governance Statement	7 - 9
Statement on Regularity, Propriety and Compliance	10
Statement of Trustees' Responsibilities	11
Independent Auditors' Report on the Financial Statements	12 - 14
Independent Reporting Accountant's Assurance Report on Regularity	15 - 16
Statement of Financial Activities Incorporating Income and Expenditure Account	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 - 37

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Members	Mr M J Howell Mr M A Banner Mr G P Bonsignore (resigned 28 November 2017) Mr G Rose Mrs F E Alder Mrs M Mobley
Trustees	Mr M J Howell Mr M A Banner Mr G P Bonsignore (resigned 28 November 2017) Mr G Rose Mrs S A Killey (resigned 30 April 2018) Mrs F E Alder Ms Pinar Erol (appointed 15 January 2018) Mr S Dhillon Mr P R Havis Mrs C Howell Mrs K J Perry Mr J M L Todd Mrs M Mobley
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 S A Killey (resigned 30 April 2018) Mrs F E Alder (from 1 May 2018)
Senior Leadership Team	Mrs S A Killey, Headteacher (resigned 30 April 2018) Mrs F E Alder, Deputy Headteacher (until 30 April 2018) Headteacher (1 May 2018) Mrs K J Perry, Business Manager Mr P Earl, Assistant Headteacher Mrs C Desmond, Assistant Headteacher Mrs K Palmer, Assistant Headteacher
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank Plc

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their Annual Report together with the financial statements and Auditors' Report of Flamstead End School (the Charitable Company or the Trust) for the year ended 31 August 2018. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The 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 502 pupils on roll on the summer 2018 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 11 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 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 57, 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 2018

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 meets on at least three occasions per 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.

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

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

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 2018 were full. Another key financial performance indicator is staffing costs as a percentage of total income, for 2017/18 this was 75%. The Trustees are confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures.

The Finance, together with Premises Committees 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 2018 the Trust received £2,153,466 of GAG and other funding (see Note 3). 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 £2,231,949 and transferred £6,302 to support capital new build and improvements on the School site. The Trust brought forward from 16/17 £3,117,269 restricted funds and £360,201 unrestricted funding. The carry forward for 17/18 is £3,160,153 restricted funding and £464,014 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 £611,000. 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.

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 full 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 £464,014. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

Reserves are held are to:

- 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 £752,918.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

Investment Policy

An Investment Policy was approved by the Board of Trustees on 13 September 2017. 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.

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 IT hardware; swimming; trips and some after school clubs - 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

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

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.

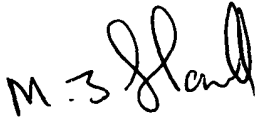
- During 2018/19 the School will be making two Condition Improvement Funding bids to complete the update the heating system (KS1) and complete the replacement of the KS2 roof.

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 Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to reappoint them was agreed in summer 2018.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 21/11/18 and signed on the Board's behalf by:



Mr M J Howell
Chair of Trustees

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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M J Howell	5	5
Mr M A Banner	3	5
Mr G P Bonsignore	1	2
Mr G Rose	1	5
Mrs S A Killey	3	3
Mrs F E Alder	5	5
Ms Pinar Erol	3	3
Mr S Dhillon	4	5
Mr P R Havis	2	5
Mrs C Howell	5	5
Mrs K J Perry	5	5
Mr J M L Todd	3	5
Mrs M Mobley	5	5

The Headteacher (Accounting Officer) retired on 30 April 2018, not only was this a key composition change but additionally a particular challenge to go through the process of appointing a successor. This was carried out successfully by the Board (utilising the service of Herts for Learning), and after open competition a new Headteacher was appointed in July 2018.

The joint Chair of Finance & Personnel Committee (Pino Bonsignore) resigned due to his level of commitments, when James Todd's term of office expired he was offered and agreed to continue as a co-opted Governor. A new parent elected Governor joined the board 15 January 2018.

The Finance & Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to discuss and if necessary address financial and staffing matters.

The joint Chair of the committee resigned due to his level of commitments although the remaining joint Chair agreed to become the sole Chair of this committee. Malcolm Banner (Chair of Sites & Premises and Audit) joined the Finance & Personnel committee at this time.

The main challenge for the school and this committee is the planning and working together this year to agree a five-year financial plan to ensure long term financial viability. The uncertain future and Hertfordshire County Council funding of their Speech & Language Unit has continued to necessitate different budget options to meet the two different scenarios.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Audit Committee is subsumed within the Finance and Personnel Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M J Howell	3	3
Mr M A Banner	3	3
Mr G P Bonsignore	1	1
Mr G Rose	3	3
Mr P R Havis	2	3
Mrs S A Killey	2	2
Mrs F E Alder	3	3
Mrs K J Perry	3	3

REVIEW OF VALUE FOR MONEY

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

The Accounting Officers 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 two Accounting Officers for the Trust have delivered improved value for money during the year by:

- Exploring a Lockdown signalling system for its geographically spread site – two equally and relatively large buildings, surrounded by playgrounds all around, a large field and central car park. Representatives from national companies visited and were spoken with for their recommendations and suggestions for a suitable system, with costs of up to £30,000 suggested. Some other schools have put a simple system in place using for example their fire alarm signal – this school wanted something meaningful and set about exploring what we could achieve over the course of the whole year. A relationship was founded with an empathetic engineer manager at a global specialist signalling manufacturer who claim to have the most extensive product range of life saving signalling equipment in the market, who helped to guide the school to purchase various pieces of equipment that when put together provided a unique system tailor made for the School and installed by a local electrical contractor known to the School - for a fraction of the previously advised cost.
- Continuing the planned programme of gradual staff reduction through natural wastage which has continued to ensure future financial viability. This was not without challenge as some of the remaining staff roles needed to evolve to meet the changing needs of the School and ensure enhanced pupil provision at the same time.
- Committing to an internal programme of classroom redecoration throughout the year, resulting in six KS2 classrooms being renovated. This involved more than repainting walls and estimates of commercial cost at £25,000 have been reliably made. The commitment of the school staff and in particular the site team made this happen in addition to all other site and premises requirements (evidenced by a Health & Safety external audit June 2018 with an 'outstanding' outcome). Again the cost was a fraction of the commercial rate, although importantly the quality is considered to be overall better than what would have been achieved from a standard specification.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 Board of Trustees 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:

Internal Audit of Payroll.

Internal Audit of Key Financial Controls.

Hertordshire Internal Audit of the Single Central Records and the documents behind the record held in school

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The schedule of work has been delivered as planned and there were no issues arising.

REVIEW OF EFFECTIVENESS

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

Approved by the Board of Trustees on 21/11/18 and signed on their behalf, by:



Mr M J Howell
Chair of Trustees



Mrs F E Alder
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 Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mrs F E Alder
Accounting Officer

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

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

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

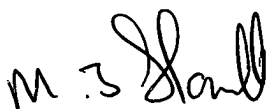
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 21/11/18 and signed on its behalf by:



Mr M J Howell
Trustee

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 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report 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 has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the 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.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

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 the Trust's Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (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
Date: 3 December 2018

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FLAMSTEAD END SCHOOL AND THE EDUCATION AND 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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Flamstead End School and the 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 27 March 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's Statement on Regularity, Propriety and Compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- 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, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

CONCLUSION

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

Reporting Accountant

Price Bailey LLP

Chartered Accountants
Statutory Auditors

3 December 2018

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	10,721	20,301	9,344	40,366	224,816
Charitable activities	3	33,792	2,119,674	-	2,153,466	2,129,993
Other trading activities	4	23,065	22,423	-	45,488	44,508
Investments	5	326	-	-	326	417
TOTAL INCOME		67,904	2,162,398	9,344	2,239,646	2,399,734
EXPENDITURE ON:						
Charitable activities		-	2,139,794	92,155	2,231,949	2,444,866
TOTAL EXPENDITURE	6	-	2,139,794	92,155	2,231,949	2,444,866
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		67,904	22,604	(82,811)	7,697	(45,132)
Transfers between funds	15	35,909	(29,607)	(6,302)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		103,813	(7,003)	(89,113)	7,697	(45,132)
Actuarial gains on defined benefit pension schemes	20	-	139,000	-	139,000	436,000
NET MOVEMENT IN FUNDS		103,813	131,997	(89,113)	146,697	390,868
RECONCILIATION OF FUNDS:						
Total funds brought forward		360,201	(566,688)	3,683,957	3,477,470	3,086,602
TOTAL FUNDS CARRIED FORWARD		464,014	(434,691)	3,594,844	3,624,167	3,477,470

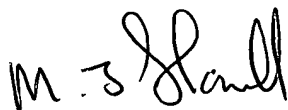
FLAMSTEAD END SCHOOL

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 08436788**

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		3,594,844		3,676,051
CURRENT ASSETS					
Debtors	13	42,089		65,815	
Cash at bank and in hand		752,918		717,147	
		<u>795,007</u>		<u>782,962</u>	
CREDITORS: amounts falling due within one year	14	(154,684)		(319,543)	
NET CURRENT ASSETS			640,323		463,419
TOTAL ASSETS LESS CURRENT LIABILITIES			4,235,167		4,139,470
Defined benefit pension scheme liability	20	(611,000)		(662,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>3,624,167</u>		<u>3,477,470</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	176,309		95,312	
Restricted fixed-asset funds	15	3,594,844		3,683,957	
Restricted income funds excluding pension liability		3,771,153		3,779,269	
Pension reserve		<u>(611,000)</u>		<u>(662,000)</u>	
Total restricted income funds			3,160,153		3,117,269
Unrestricted income funds	15		464,014		360,201
TOTAL FUNDS			<u>3,624,167</u>		<u>3,477,470</u>

The financial statements on pages 17 to 37 were approved by the Trustees, and authorised for issue, on 21/11/18 and are signed on their behalf, by:



Mr M J Howell
Chair of Trustees

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	35,445	173,491
Cash flows from investing activities:			
Interest received		326	417
Purchase of tangible fixed assets		-	(39,150)
Net cash provided by/(used in) investing activities		326	(38,733)
Change in cash and cash equivalents in the year		35,771	134,758
Cash and cash equivalents brought forward		717,147	582,389
Cash and cash equivalents carried forward		752,918	717,147

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Flamstead End School constitutes a public benefit entity as defined by 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 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.

1.4 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

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

All expenditure is inclusive of irrecoverable VAT.

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 and depreciation

All assets costing more than £2,000 are capitalised 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	125 years straight line
Furniture and fixtures	-	10 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 incorporating Income and Expenditure Account.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

Retirement benefits to employees of the 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. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded 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 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.

1.14 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/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	10,721	20,301	-	31,022	37,602
Capital grants	-	-	9,344	9,344	187,214
	<u>10,721</u>	<u>20,301</u>	<u>9,344</u>	<u>40,366</u>	<u>224,816</u>
Total 2017	<u>8,939</u>	<u>28,663</u>	<u>187,214</u>	<u>224,816</u>	

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,640,442	1,640,442	1,654,383
Other DfE / ESFA grants	-	207,890	207,890	211,354
	<u>-</u>	<u>1,848,332</u>	<u>1,848,332</u>	<u>1,865,737</u>
Other government grants				
Other Government grants	-	271,342	271,342	235,030
	<u>-</u>	<u>271,342</u>	<u>271,342</u>	<u>235,030</u>
Other funding				
Catering income	33,792	-	33,792	29,226
	<u>33,792</u>	<u>-</u>	<u>33,792</u>	<u>29,226</u>
	<u>33,792</u>	<u>2,119,674</u>	<u>2,153,466</u>	<u>2,129,993</u>
Total 2017	<u>29,226</u>	<u>2,100,767</u>	<u>2,129,993</u>	

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational trips	-	20,904	20,904	22,027
Other activities	19,219	1,519	20,738	18,295
Hire of facilities	3,846	-	3,846	4,186
	<u>23,065</u>	<u>22,423</u>	<u>45,488</u>	<u>44,508</u>
Total 2017	<u>21,447</u>	<u>23,061</u>	<u>44,508</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	326	326	417
Total 2017	<u>417</u>	<u>417</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of education:					
Direct costs	1,402,332	18,432	174,851	1,595,615	1,608,742
Support costs	288,831	245,376	102,127	636,334	836,124
	<u>1,691,163</u>	<u>263,808</u>	<u>276,978</u>	<u>2,231,949</u>	<u>2,444,866</u>
Total 2017	<u>1,692,801</u>	<u>472,147</u>	<u>279,918</u>	<u>2,444,866</u>	

In 2017, of total expenditure, £60,862 was to unrestricted funds, £2,127,314 was to restricted funds and £256,690 was to restricted fixed asset funds.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	1,595,615	1,608,742
Support costs	636,334	836,124
	<u>2,231,949</u>	<u>2,444,866</u>
Total	<u>2,231,949</u>	<u>2,444,866</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	288,831	283,889
Depreciation	81,207	77,382
Technology costs	9,531	9,992
Premises costs	164,169	371,797
Other support costs	78,661	78,894
Governance costs	13,935	14,170
	<u>636,334</u>	<u>836,124</u>
Total	<u>636,334</u>	<u>836,124</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	81,207	77,382
Auditor's remuneration - audit	4,890	4,750
Auditor's remuneration - non audit (including internal audit)	5,645	6,250
	<u>91,742</u>	<u>88,382</u>

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,283,922	1,313,400
Social security costs	94,471	104,736
Operating costs of defined benefit pension schemes	309,591	274,665
	<u>1,687,984</u>	<u>1,692,801</u>
Agency staff costs	3,179	-
	<u><u>1,691,163</u></u>	<u><u>1,692,801</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	19	20
Administration and support	38	39
Management	5	5
	<u>62</u>	<u>64</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	17	20
Administration and support	23	24
Management	4	4
	<u>44</u>	<u>48</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 80,001 - £ 90,000	0	1

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 £350,192 (2017 £391,468).

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

10. 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, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

S Killey (Staff)

Remuneration £50,000-£55,000 (2017: £75,000-£80,000)

Employer's pension contributions £5,000-£10,000 (2017: £10,000-£15,000)

K Perry (Staff)

Remuneration £50,000-£55,000 (2017: £50,000-£55,000)

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

F Alder (Staff)

Remuneration £55,000-£60,000 (2017: £50,000-£55,000)

Employer's pension contributions £5,000-£10,000 (2017: £5,000-£10,000)

K Palgrave (Staff)

Remuneration £Nil (2017: £5,000-£10,000)

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

During the year ended 31 August 2018, travel and subsistence expenses totalling £41 were reimbursed or paid directly to 1 Trustee (2017: £192).

Other related party transactions involving the Trustees are set out in note 22.

11. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust 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.

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017 and 31 August 2018	3,575,836	159,700	184,686	3,920,222
Depreciation				
At 1 September 2017	118,697	41,408	84,066	244,171
Charge for the year	29,666	37,524	14,017	81,207
At 31 August 2018	148,363	78,932	98,083	325,378
Net book value				
At 31 August 2018	3,427,473	80,768	86,603	3,594,844
At 31 August 2017	3,457,139	118,292	100,620	3,676,051

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

13. DEBTORS

	2018 £	2017 £
VAT recoverable	8,410	21,034
Prepayments and accrued income	33,679	44,781
	<u>42,089</u>	<u>65,815</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	1,116
Other taxation and social security	24,437	28,701
Other creditors	26,679	29,773
Accruals and deferred income	103,568	259,953
	<u>154,684</u>	<u>319,543</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	64,087	81,596
Resources deferred during the year	52,352	64,087
Amounts released from previous years	(64,087)	(81,596)
Deferred income at 31 August 2018	<u>52,352</u>	<u>64,087</u>

The deferred income in the year represents universal free school meals income received in advance of £39,385, with the remainder relating to various income streams lower than £5,000.

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS

	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 funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant (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)
	(566,688)	2,162,398	(2,139,794)	(29,607)	139,000	(434,691)
Restricted fixed asset funds						
Restricted Fixed Asset Fund	3,676,051	-	(81,207)	-	-	3,594,844
Devolved Formula Capital (DFC)	-	9,344	(3,042)	(6,302)	-	-
Condition Improvement Grant	7,906	-	(7,906)	-	-	-
	3,683,957	9,344	(92,155)	(6,302)	-	3,594,844
Total restricted funds	3,117,269	2,171,742	(2,231,949)	(35,909)	139,000	3,160,153
Total of funds	3,477,470	2,239,646	(2,231,949)	-	139,000	3,624,167

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

15. 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 is run under the Academy name.

The pre-school balance of £35,909 has been transferred to unrestricted funds to reflect an accumulation of line and senior management time, plus administrative work undertaken by school office staff since conversion on 1 April 2013.

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 for the purpose of upgrading and replacing the heating system throughout the school.

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 that it could carry forward at 31 August 2018.

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	326,750	60,029	(60,862)	34,284		360,201
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	63,140	1,654,383	(1,583,893)	(38,318)	-	95,312
Pupil Premium	-	125,739	(125,739)	-	-	-
Restricted trip donations	-	22,027	(22,027)	-	-	-
Pre-School	11,597	98,603	(75,916)	(34,284)	-	-
Other ESFA/DFE	-	85,615	(85,615)	-	-	-
Other LA income	-	166,124	(166,124)	-	-	-
Pension reserve	(1,030,000)	-	(68,000)	-	436,000	(662,000)
	<u>(955,263)</u>	<u>2,152,491</u>	<u>(2,127,314)</u>	<u>(72,602)</u>	<u>436,000</u>	<u>(566,688)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	3,715,115	-	(77,382)	38,318	-	3,676,051
Devolved Formula Capital (DFC)	-	9,488	(9,488)	-	-	-
Condition Improvement Grant	-	177,726	(169,820)	-	-	7,906
	<u>3,715,115</u>	<u>187,214</u>	<u>(256,690)</u>	<u>38,318</u>	<u>-</u>	<u>3,683,957</u>
Total restricted funds	<u>2,759,852</u>	<u>2,339,705</u>	<u>(2,384,004)</u>	<u>(34,284)</u>	<u>436,000</u>	<u>3,117,269</u>
Total of funds	<u>3,086,602</u>	<u>2,399,734</u>	<u>(2,444,866)</u>	<u>-</u>	<u>436,000</u>	<u>3,477,470</u>

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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)
	<u>464,014</u>	<u>(434,691)</u>	<u>3,594,844</u>	<u>3,624,167</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,676,051	3,676,051
Current assets	775,056	-	7,906	782,962
Creditors due within one year	(414,855)	95,312	-	(319,543)
Provisions for liabilities and charges	-	(662,000)	-	(662,000)
	<u>360,201</u>	<u>(566,688)</u>	<u>3,683,957</u>	<u>3,477,470</u>

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

	2018 £	As restated 2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	7,697	(45,132)
Adjustment for:		
Depreciation charges	81,207	77,382
Interest	(326)	(417)
Loss on the sale of fixed assets	-	832
Decrease/(increase) in debtors	23,726	(14,423)
(Decrease)/increase in creditors	(164,859)	87,249
Defined benefit pension scheme cost less contributions payable	88,000	68,000
Net cash provided by operating activities	<u>35,445</u>	<u>173,491</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	752,918	717,147
Total	<u>752,918</u>	<u>717,147</u>

FLAMSTEAD END SCHOOL

(A Company Limited by Guarantee)

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

19. 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.

20. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £26,550 were payable to the schemes at 31 August 2018 (2017 - £26,629) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £ 130,277 (2017 - £128,185).

A copy of the valuation report and supporting documentation is on the Teachers'—Pensions—website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £134,000 (2017 - £119,000), of which employer's contributions totalled £108,000 (2017 - £96,000) and employees' contributions totalled £26,000 (2017 - £23,000). The agreed contribution rates for future years are 25.3% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

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

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

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

As at the 31 August 2018 the Trust had a pension liability of £68,000 (2017 - £74,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

Sensitivity Movement	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	1,520,414	1,409,298
Discount rate -0.1%	1,601,586	1,472,702
Mortality assumption - 1 year increase	1,573,488	1,452,528
Mortality assumption - 1 year decrease	1,548,512	1,429,472
CPI rate +0.1%	1,595,342	1,466,938
CPI rate -0.1%	1,526,658	1,415,062

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	504,000	504,000
Corporate bonds	332,000	194,000
Property	76,000	54,000
Cash and other liquid assets	38,000	23,000
	<u>950,000</u>	<u>775,000</u>
Total market value of assets	<u>950,000</u>	<u>775,000</u>

The actual return on scheme assets was £45,000 (2017 - £(132,000)).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(179,000)	(143,000)
Interest income	21,000	18,000
Interest cost	(38,000)	(39,000)
	<u>(196,000)</u>	<u>(164,000)</u>
Total	<u>(196,000)</u>	<u>(164,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,437,000	1,853,000
Current service cost	179,000	143,000
Interest cost	38,000	39,000
Employee contributions	26,000	23,000
Actuarial gains	(115,000)	(617,000)
Benefits paid	(4,000)	(4,000)
	<u>1,561,000</u>	<u>1,437,000</u>
Closing defined benefit obligation	<u>1,561,000</u>	<u>1,437,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	775,000	823,000
Interest income	21,000	18,000
Actuarial gains/(losses)	24,000	(181,000)
Employer contributions	108,000	96,000
Employee contributions	26,000	23,000
Benefits paid	(4,000)	(4,000)
	<u>950,000</u>	<u>775,000</u>
Closing fair value of scheme assets	<u>950,000</u>	<u>775,000</u>

FLAMSTEAD END SCHOOL
(A Company Limited by Guarantee)

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

21. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	901	1,801

22. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10. .