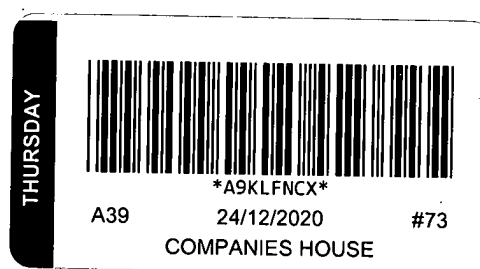


REGISTERED COMPANY NUMBER: 07806338 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2020
FOR
LICKHILL PRIMARY SCHOOL**



Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

LICKHILL PRIMARY SCHOOL

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LICKHILL PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST AUGUST 2020

MEMBERS:

TRUSTEES

J Lloyd
B Bevan
A McKay FCCA
V Campbell
R Williams
J Morse
K L Rodriguez
L Dare (appointed 24/10/19) (resigned 27/5/20)

F Perks (appointed 01/09/2019)

A Tyler (appointed 15/10/2020)

SENIOR MANAGEMENT TEAM

J Lloyd - Headteacher - Accounting Officer

K Rodriguez - Assistant Head

K Jones - Assistant Head

All trustees were members of the Academy Trust during the year.

REGISTERED OFFICE

Almond Way
Stourport on Severn
Worcestershire
DY13 8UA

REGISTERED COMPANY NUMBER

07806338 (England and Wales)

AUDITORS

Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

SOLICITORS

Stone King
16 St John's Lane
London
EC1M 4BS

BANKERS

Lloyds Bank Plc
1 Vicar Street
Kidderminster
DY10 1DH

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the Charitable Company is the operation of the Lickhill Primary School to provide education for pupils of different abilities up to the age of 11 and also the provision of nursery and pre and post school care.

The principal objectives of the Academy are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To raise the standard of educational achievement of all pupils.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To comply with the appropriate statutory and curriculum requirements.
- To make the Academy a valued community resource.
- To close the achievement gap for disadvantaged pupils.
- To ensure pupils are well prepared for the next phase of education academically, socially and emotionally.

Public benefit

In setting our objectives the trustees' have complied with their duty to have due regard to the Charity Commissions guidance on public benefit in exercising their powers or duties.

The primary purpose of the Academy is the advancement of education within the local area.

The Academy runs an extended day, offering a safe place for pupils while parents are working. The Academy operates both pre and post school care. The Academy also runs a holiday club which is available to the local community and is not exclusive to children attending the Academy. An onsite pre-school is also operated by the Academy welcoming children from a wider area.

The Academy has given a high priority to providing public benefit to a cross section of the community regardless of family background, but perhaps the greatest benefit the Academy can offer is the provision of an education that maximises each student's potential.

FUNDRAISING

The Academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Lickhill Primary School was judged Requires Improvement overall in Feb 2019. It was Good in Early Years provision, Behaviour and Attitudes and Personal Development. The areas for improvement centred on changes to the Ofsted framework and curriculum development with leaders new to posts and the development had begun, but had not yet had time to embed.

Soon after Ofsted, the country went into lockdown due to the Covid-19 outbreak and staff worked hard to develop their curriculum areas and CPD to improve standards widely in reading, writing and foundation subject progressions.

The finances had been carefully looked at in September to ensure resourcing these new areas of curriculum had a 3 year plan. Priority was given to Science, Art, Geography, PSHE and Computing. The spending was carefully maximised to give the best value for money and these subjects have been injected with suitable resources to meet the curriculum demands. There is now a complete computer suite for the children to access as a whole class and develop the computing curriculum more effectively than previous years.

During the lockdown, staff created their own formats for home schooling, communication with parents and support for all. They set work, gave advice and supported families through an unprecedented and difficult time. Staff were then deployed very effectively in small bubbles in June to welcome back Reception, Preschool and Y1. Later we were able to staff Y6 returns.

Up to March, the children were making good progress in all core areas, but the higher ability children needed more focus to achieve more. During the lockdown, SLT worked to address this issue with maths mastery CPD planned for the coming year and writing and reading strategies developed to ensure the most able were moved on quicker. The teaching pedagogy was discussed to activate prior learning, more able moved on quickly in lessons and memory work was developed for CPD.

The new curriculum developments are now aligned to the National Curriculum expectations in all subject areas with clear progressions of skills and knowledge.

Closing the gap for the most disadvantaged is crucial work and continued to be a priority throughout lockdown with work physically dropped off at houses, safe and well calls made weekly and more often where necessary. The children of returning groups were encouraged to return in June so that the gap did not become overwhelming and so that their education was continued, even though on a part time basis.

Much additional CPD was undergone with our Thrive programme to prepare staff for measures necessary on the children's return in respect to emotional and social aspects to support them post lockdown. Thrive practitioners worked with individuals who required a great deal of additional support in this area.

Key performance indicators

The trustees review regular assessments of the performance of the Academy. Due to the virus, no national data was collected for 2019-2020. Phonics screening will be done in Y2 during November 2020. Whole School attendance up to lockdown was 95.98%, and latest and persistent absences were declining due to new direct measures put into place.

Of the year groups able to return in June, Reception had a 75.86% uptake, while Y1 had a 92.86% uptake which was a great reflection of the work of the trust in encouraging children back and parents supporting the school to minimise the effects of lockdown and support mental health of the youngest children in socialising.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

FINANCIAL REVIEW

Financial Review

The Academy's main source of income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding. This funding is restricted to particular purpose. Total grants received from the DfE during the period ending August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

A risk management strategy has been developed together with a risk register. This continues to be reviewed and is monitored by the governing body. The trust have reviewed the risk register with regard to Covid-19, and recognised the increased risk in financial and organisation.

During the year ended 31 August 2020, total income received was £1,092,261(excluding capital) with total expenditure of £1,126,607 of which 81% are staff costs.

The deficit of expenditure over income for the year was £34,346 (2019 - £46,824) excluding restricted fixed asset funds and actuarial losses on defined benefit pension funds.

The Local Government Pension Scheme liability increased from £704,000 to £813,000 during the year ending 31 August 2020. This is detailed in the notes to the accounts.

The finance committee have appointed a responsible officer to give advice on financial matters and perform a range of checks on the academy's financial system and internal controls. Where the RO has made recommendations, the governing body, together with the school business manager, has endeavoured to implement any changes necessary.

Increased pupil numbers have resulted in increased Grant income although funding per child has decreased significantly over recent years. This has placed a significant strain on cash flow and resources. The school operates Pre School and Stay & Play wrap around care. These are non-profit making organisations and any surplus is reinvested in the Academy for the benefit of the pupils.

The trust continues to share expertise and support to a wider network of education settings generating income to reinvest back into education resources. Much of this support is now carried out remotely.

The year to August 2019 was a difficult year in terms of managing the budget. A management restructure was also put in place when the new head teacher was appointed. The academy worked closely with the DfE to minimise any deficit. Careful planning, budgeting and management of the cash flow in the year ending August 2020 has returned the academy to a more secure financial position.

The improving financial position has enabled the trust to focus on areas that required investment. Following an Ofsted inspection in February, the need for investment in resources across the curriculum was highlighted. The academy has invested in Maths and science resources. A new writing scheme has been introduced in upper key stage 2 and the creation of an IT suite will have a positive impact on the children's ability to learn across all areas of the curriculum.

The impact of Covid-19 on the school's ability to raise unrestricted funds has not been insignificant. Although the Pre School continued to receive government funding for its provision, income for our wrap around care facility was not protected and there was no income for several months. We were able to open for a limited number of children during the summer holiday period. The unrestricted fund managed to record a better than expected result and brought forward reserves were not affected. Wrap around care is unable to operate at full capacity going into the new financial year. The trust is mindful of the financial implications going forward and is closely monitoring the financial challenges.

Covid-19 has also prevented many fund-raising activities, including annual PTA events. As a result of this, some projects have had to be postponed. The restrictions have continued into the new financial year, postponing projects further.

The trust did not furlough any staff during the period. All staff were paid in full including all pension contributions. Although the trust received full government funding during the period, some wages were paid from unrestricted funds that were not protected.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

Financial Review (continued)

The trust has spent considerable time and funds on making the school site Covid-19 safe. In addition to the cost of making the site safe, the trust made a payment of £425 for free school vouchers before the national scheme was in place. New routines have been put in place to help ensure the safety of staff, pupils and visitors to the school. The trust participated in the national free school meals voucher scheme. There was no financial implications for the trust as a result of this scheme. The trust has maintained all levels of internal control, financial management and internal scrutiny throughout the period and continue to do so going forward. The governing body has continued to meet remotely and regularly through this period.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

FINANCIAL REVIEW

Reserves policy

The policy of the governors is to maintain a level of reserves that will be adequate to provide a stable basis for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated.

Excluding the pension scheme liability and capital funds, the Academy funds carried forward as at 31 August 2020 are a surplus of £100,417 (2019 - £53,309).

Fixed asset capital fund at 31 August 2020 was £1,995,384 (2019 - £2,062,896).

The Academy also has a pension scheme deficit in respect of the Local Government Pension Scheme of £813,000 (2019 - £704,000). The liability is included in restricted reserves and the Academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit employer contributions will be 18.4% (2019 16.7%). This deficit is considered a long term deficit and not an immediate liability.

The Governing Body recognises that the Academy has had a difficult and challenging period recovering the deficit and returning to a balanced budget. A Budget have been prepared for academic years 2020/21, 2021/22 and 2022/23. Continuing to be able to manage a balanced budget is dependent on future government funding and maintaining pupil numbers.

Investment Policy

The Academy's policy is to invest surplus funds in low risk short term bank deposits.

Plans for the Future Periods

The Governors continue to promote the Academy within the local community.

The school continues to apply for other grants to improve the school facilities and learning resources and environment.

The Academy continues to strive to offer the highest educational opportunities for all children as well as providing professional development for all teaching and support staff. The school will carefully manage the Covid-19 catch up fund to enable children to return to a safe learning environment and reach their potential despite their learning gaps.

The Trust will continue to provide wrap around care for the wider community, although due to Covid-19 there will be reduced capacity.

Principal risks and uncertainties

Financial - The Academy relies on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same, or that funding will not be reduced. The Academy receives income from its pre-school and wrap around care facilities. The Academy helps to support other like-minded organisations through the secondment of staff, consultation and training activities.

Cash Flow - The Academy closely monitors cash flow to ensure that payment is made to creditors and the payroll can be met.

Falling pupil numbers - the number of children attending the Academy has risen steadily over recent years to its current level. The Academy continues to have a full PAN admission into Reception class and limited spaces available in upper KS2. The Academy does not anticipate falling numbers in the foreseeable future.

Failure in governance and/or management - Governors and management effectively manage the Academy's financial internal controls, compliance with regulations and legislation and statutory returns. The Governors continue to review and ensure that appropriate measures are in place to minimise these risks.

The trust have reviewed the risk register with regard to Covid-19, and recognised the increased risk in financial and organisation. The unrestricted fund is impacted the most by the inability to fully open the wraparound care facility.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

FINANCIAL REVIEW

Going concern

The board of trustees has made appropriate enquires and has a reasonable expectation that the Academy had adequate resources to continue in operational existence for the foreseeable future.

The school will carefully manage the Covid-19 catch up fund to enable children to return to a safe learning environment and reach their potential despite their learning gaps.

The Trust will continue to provide wrap around care for the wider community, although due to Covid-19 there will be reduced capacity.

For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as trustees for the charitable activities of Lickhill Primary School Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lickhill Primary School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administration Details 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.

Trustees' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 is incorporated within the total insurance premium.

Recruitment and appointment of new trustees

Trustees are recruited from the employees of the Academy, parents (by election) and community governors.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The management structure of the Academy consists of the trustees and the Leadership Team.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the strategic direction of the Academy, capital expenditure and the most senior staff appointments.

The Leadership Team is led by the Headteacher, Jane Lloyd. These senior leaders manage the Academy at an executive level, implementing the policies agreed by the trustees and reporting back to them on progress. The Headteacher and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The salaries of the Head teacher, and Assistant Head teachers are reviewed annually as required by the School Teachers' Pay and Conditions Document.

The Head Teacher's Pay Range, which the Governing Body is required to set for Head teachers by the School Teachers' Pay and Conditions Document reflects the responsibilities of the job in addition to the size of the school, any other factors specified and advice issued by the Local Authority on the salaries of Headteacher at comparable size schools.

The Governing Body will determine the pay ranges of the Assistant Head teachers in relation to the duties and responsibilities of those teachers.

Policies and Procedures Adopted for the induction and training of trustees

The Academy carries out appropriate training for new trustees. There was one new governor appointed this financial year.

Related parties

The academy also has a subsidiary company, Lickhill Consultancy Limited, whose principal activity is to provide training to schools and academies.

Please refer to note 22 with respect to related party transactions.

Lickhill Primary School is a strategic partner in the Stourport Teaching School Alliance and has provided training opportunities and placements for student teachers from other local teacher training providers. The impact of Covid-19 has restricted the trusts income for this. There have also been fewer opportunities to raise income through this income stream.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Worton Rock Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15th December 2020 and signed on its behalf by:



V Campbell - Trustee

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of the trustees has delegated the day-to-day responsibility to the Head, 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 Lickhill Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

LICKHILL PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2020

Governance

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

Trustee	Meetings attended	Out of a possible
V Campbell	6	6
B Bevan	5	6
J Lloyd	6	6
K L Rodriguez	5	6
R Williams	5	6
A McKay FCCA	5	6
J Morse	6	6
L Dare (appointed 24/10/19) (resigned 27/5/20)	1	3

F Perks was appointed 1 September 2019, She attended 2 out of a possible 6 meetings.

Committees apart from the Finance and General Purposes Committee are incorporated into the main board of trustees. Each trustee has a specific area of responsibility and reports back to the main board on these matters.

The Finance Committee oversees all financial aspects of the Academy and meets at least half termly to review the financial reports of the Academy and deal with all issues of strategic management. All members of the Governing Body can attend these meetings from 8 October 2018.

The non-confidential minutes are published on the Academy's website detailing the topics discussed and the attendees at such meetings.

Attendance at the Finance and General Purposes Committee was as follows:

Trustee	Meetings attended	Out of a possible
A McKay	6	6
F Perks	3	6
R Williams	5	6
J Lloyd	6	6
K Rodriguez	5	6
V Campbell	5	6
B Bevan	6	6
J Morse	5	6
L Dare	0	4

Governance reviews

The Governing body have appointed one new governor this year, adding to the ever growing skill set of the trust. New governors are given online induction training.

A Skills audit was carried out at the start of the school year which highlighted required training. All governors have taken part in online Safeguarding and Prevent training.

Due to Covid-19 we have met online through out the pandemic and continue to. Extra meetings have been held this year to monitor the Key worker groups, distance learning and wellbeing of children and staff due Lockdown, and to prepare the safe reopening of school.

During this year, governors have been allocated key roles and responsibilities and are working with staff to bring greater understanding and depth to the position of trustee. The chair has undertaken training and is actively encouraging other governors to access resources. The board have continued to monitor budgets closely this year with income seeing a downturn due to closure of wrap around care and reduced numbers attending holiday clubs during Covid-19.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

Review of Value for Money

As accounting officer the head has responsibility for ensuring that the academy trust delivers good value for money 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 for the academy trust has delivered improved value for money during the year by:

Educational Results

In February 2020 Lickhill Primary School was inspected and judged to be requires improvement in areas of quality of education and leadership and management. The school was judged good in behaviours and attitudes, personal development and early years provision. There is a clear plan to improve management at all levels including governors and middle leaders, and there has been a whole school curriculum improvement plan to meet the new Ofsted framework criteria for a broad and balanced curriculum.

There has been no moderation or testing this academic year due to the Covid-19 pandemic.

The trustees review regular assessments of the performance of the Academy. Due to the virus, no national data was collected for 2019-2020. Phonics screening will be done in Y2 during November 2020. Whole School attendance up to lockdown was 95.98%, and latest and persistent absences were declining due to new direct measures put into place. Of the year groups able to return in June, Reception had a 75.86% uptake, while Y1 had a 92.86% uptake which was a great reflection of the work of the trust in encouraging children back and parents supporting the school to minimise the effects of lockdown and support mental health of the youngest children in socialising.

This year additional difficulties have been apparent due to the National Lockdown in March. The most vulnerable families were contacted directly at least once a week with work dropped off so that printing or electronics were not an additional problem. When some year groups returned, even for a taster drop-in session before the Summer, it was apparent that much work would need to happen in September due to the loss of learning for so many families. Parents working from home or other issues affected more children than initially thought and staffing had been thought-through to maximise teaching and TA staff to work on catch-up programmes. The government has allocated money for this, but we had already organised staff to start this process of recovery. The money will be spent on teaching staff and TAs from September to work on rapid individual and small group interventions within bubbles. Baselines have been made to allow progress to be monitored and reported later next year.

Our Thrive provision and the training that the majority of staff have undergone has been essential in understanding the many different and complex situations surrounding mental health and well-being of both the staff as well as the pupils. The additional funds used to support the most vulnerable has been an asset. During Lockdown, staff's personal circumstances and current health levels were delicately assessed and rotas were created to allow all those willing and able to return to work with key worker children and later in June the smaller bubbles in pre-school, Reception and Year 1. Regular updates to the rigorous risk assessment were done with regular discussions with Governors. Additional Governor meetings were organised over Teams to assess the level of support required and support the head in decisions which needed to be made.

During the Pandemic, DfE allocated 5 days of additional support to the trust from a MAT who have worked with the head and finance team to ensure we were not alone as a single academy during these difficult times. These links with individuals have supported our trust and given SLT a route to seek advice or support and has also been a two-way arrangement, giving advice about Thrive and ideas we have found valuable.

The school continues to work collaboratively with many organisations to share good practice. The school remains a strategic partner in the Stourport High School teaching school and takes a leading role in the development of maths, phonics, art and emotional development in the school based initial teacher training.

Financial Governance and Oversight

The year to August 2019 was a difficult year in terms of managing the budget. A management restructure was also put in place when the new head teacher was appointed. The academy worked closely with the DfE to minimise any deficit. Careful planning, budgeting and management of the cash flow in the year ending August 2020 has returned the academy to a more secure financial position.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020

The improving financial position has enabled the trust to focus on areas that required investment. Following an Ofsted inspection in February, the need for investment in resources across the curriculum was highlighted. The academy has invested in Maths and science resources. A new writing scheme has been introduced in upper key stage 2 and the creation of an IT suite will have a positive impact on the children's ability to learn across all areas of the curriculum.

A risk management strategy has been developed together with a risk register. This continues to be reviewed and is monitored by the governing body. The trust have reviewed the risk register with regard to Covid-19, and recognised the increased risk in financial and organisation.

Better purchasing

The trust continues to review Service Level Agreements with Worcestershire Local Authority and other independent providers, renegotiating or changing provider when beneficial. This ensures the services provided are fit for purpose and cost effective as well as providing value for money.

The value of the cleaning contract of the school has increased significantly during the period. Following the issue of procurement notices PPN02/02 and PPN04/20, the governors agreed that the contract should not be put out to tender in order to ensure continuity of service and maintain job security. The contract will be put out to tender in the year 2020/21.

Better Income Generation

Additional income is gained through the management of Pre School and wrap around care provision. Demand for these services continues to grow, however the impact of Covid-19 has restricted the number of places we are able to offer resulting in a loss of income in the period. The 30 hours funding for pre-schoolers has continued to have a positive effect on pupil numbers and income. This provision is beneficial to the wider community as well as families within the school.

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 charitable company 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 Lickhill Primary School for the period 1st September 2019 to 31st August 2020 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 charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

LICKHILL PRIMARY SCHOOL
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2020


Review of Effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self assessment process or the school resource management self assessment tool.
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

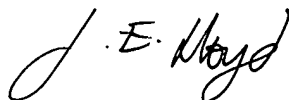
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15th December 2020 and signed on its behalf by:



V Campbell - Trustee

Jane Lloyd - Accounting Officer



LICKHILL PRIMARY SCHOOL

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2020

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed SBS School Business Services to carry out a programme of internal checks.

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

- testing of payroll systems
- testing of purchase systems compliance
- testing of income systems and debtor controls
- testing of accounting system including bank reconciliations and control accounts.
- review of management information produced by the school is of high quality.
- review of compliance in meeting financial report filing deadlines and governance issues.

On a yearly basis SBS School Business Services reports to the the board of trustees through the finance and general purposes committee meetings on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The report outlines the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The reviewer has delivered to the board of trustee's their schedule of work as planned. The checks identified the following material control issues:

Spring 2020 Term

No material control issues were identified, however recommendations were made as follows:

- Division in duty in the payroll function was recommended when creating a role on Talentlink. Further consideration should be given to the authorisation process on PIMS.
- It is recommended that the Governors receive a cashflow forecast on a monthly basis in addition to the reports on monthly receipts and payments.
- Its is recommended that a more robust system is in place in regard of credit terms for school club services.
- Moving to a BACS payment system was recommended as a more secure and efficient way of making payments.
- A disaster recovery plan or business continuity plan is recommended to put in place in the risk register as necessary.

LICKHILL PRIMARY SCHOOL

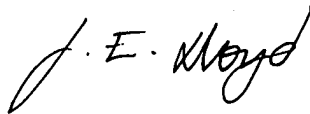
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31ST AUGUST 2020**

As accounting officer of Lickhill Primary School I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2019.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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.

Jane Lloyd - Accounting Officer

A handwritten signature in black ink, appearing to read 'J. E. Lloyd', is written over the printed name.

15th December 2020

LICKHILL PRIMARY SCHOOL

TRUSTEES' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2020

The trustees (who act as governors of Lickhill Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

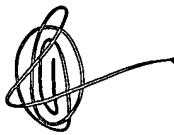
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the board of trustees on 15th December 2020 and signed on its behalf by:



V Campbell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LICKHILL PRIMARY SCHOOL

Opinion

We have audited the financial statements of Lickhill Primary School (the 'charitable company') for the year ended 31st August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Report of the Independent Auditors 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LICKHILL PRIMARY SCHOOL

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D J Burrows

David Burrows (Senior Statutory Auditor)
for and on behalf of Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

15th December 2020

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LICKHILL PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lickhill Primary School during the period 1st September 2019 to 31st August 2020 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 Lickhill Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lickhill Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lickhill Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lickhill Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lickhill Primary School's funding agreement with the Secretary of State for Education dated 1st February 2012 and the Academies Financial Handbook, extant from 1st September 2019, 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 2019 to 2020. 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 period 1st September 2019 to 31st August 2020 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 2019 to 2020 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 charitable company's income and expenditure.

The work undertaken to draw our conclusion includes:

- Evaluation the general control environment of the academy 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.

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Worton Rock Limited

Worton Rock Limited
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

15th December 2020

LICKHILL PRIMARY SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2020**

				2020	2019
		Unrestricted fund	Restricted funds	Restricted Fixed Asset Funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	-	1,200	39,715	40,915
Charitable activities					
Funding for the academy's educational operations	3	-	943,223	9,048	952,271
Other trading activities	4	141,841	5,926	-	147,767
Investment income	5	27	44	18	89
Total		<u>141,868</u>	<u>950,393</u>	<u>48,781</u>	<u>1,141,042</u>
EXPENDITURE ON					
Raising funds		143,631	-	-	143,631
Charitable activities					
Academy's educational operations	3	-	982,976	118,839	1,101,815
Total	6	<u>143,631</u>	<u>982,976</u>	<u>118,839</u>	<u>1,245,446</u>
NET INCOME/(EXPENDITURE)		(1,763)	(32,583)	(70,058)	(104,404)
Transfers between funds	20	-	(2,546)	2,546	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		-	(25,000)	-	(25,000)
Net movement in funds		<u>(1,763)</u>	<u>(60,129)</u>	<u>(67,512)</u>	<u>(129,404)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		46,543	(697,234)	2,062,896	1,412,205
TOTAL FUNDS CARRIED FORWARD		<u>44,780</u>	<u>(757,363)</u>	<u>1,995,384</u>	<u>1,282,801</u>

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL (REGISTERED NUMBER: 07806338)

**STATEMENT OF FINANCIAL POSITION
31ST AUGUST 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	12	1,957,518	2,052,454
Investments	13	1	1
		<u>1,957,519</u>	<u>2,052,455</u>
CURRENT ASSETS			
Stocks	14	4,352	4,499
Debtors	15	54,814	69,726
Cash at bank and in hand		195,200	202,763
		<u>254,366</u>	<u>276,988</u>
CREDITORS			
Amounts falling due within one year	16	(116,084)	(213,238)
NET CURRENT ASSETS		<u>138,282</u>	<u>63,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,095,801	2,116,205
PENSION LIABILITY	21	(813,000)	(704,000)
NET ASSETS		<u>1,282,801</u>	<u>1,412,205</u>
FUNDS	20		
Unrestricted funds		44,780	46,543
Restricted funds:			
Restricted general funds		55,637	6,766
Restricted fixed asset funds		1,995,384	2,062,896
Pension reserve		(813,000)	(704,000)
		<u>1,238,021</u>	<u>1,365,662</u>
TOTAL FUNDS		<u>1,282,801</u>	<u>1,412,205</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15th December 2020 and were signed on its behalf by:



V Campbell - Trustee

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(23,463)	(121,590)
Net cash used in operating activities		<u>(23,463)</u>	<u>(121,590)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(23,904)	(642,992)
Capital grants from DfE/EFA		39,715	642,166
Interest received		89	236
Net cash provided by/(used in) investing activities		<u>15,900</u>	<u>(590)</u>
Change in cash and cash equivalents in the reporting period		<u>(7,563)</u>	<u>(122,180)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>202,763</u>	<u>324,943</u>
Cash and cash equivalents at the end of the reporting period		<u><u>195,200</u></u>	<u><u>202,763</u></u>

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(104,404)	498,562
Adjustments for:		
Depreciation charges	118,840	98,840
Capital grants from DfE/ESFA	(39,715)	(642,166)
Interest received	(89)	(236)
Pension scheme finance costs	12,000	10,000
Decrease/(increase) in stocks	147	(967)
Decrease/(increase) in debtors	14,912	(4,994)
Decrease in creditors	(97,154)	(165,629)
Difference between pension charge and cash contributions	72,000	85,000
Net cash used in operations	<u>(23,463)</u>	<u>(121,590)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/19 £	Cash flow £	At 31/8/20 £
Net cash			
Cash at bank and in hand	202,763	(7,563)	195,200
	<u>202,763</u>	<u>(7,563)</u>	<u>195,200</u>
Total	<u>202,763</u>	<u>(7,563)</u>	<u>195,200</u>

The notes form part of these financial statements

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES

Statement of accounting policies

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

Basis of Preparation

The financial statements of the Academy, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees believe that it is appropriate to prepare the financial statements on a going concern basis because of the following factors:

- £813,000 (2019 £704,000) of the Academy's liabilities relate to the long term liability in respect of the Worcestershire County Council Pension Fund which should not need to be repaid fully in the short to medium term. The liability is included in restricted reserves and the Academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit employer contributions will be 18.4% (2019 - 16.7%). In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next three years at an average of £11,000 per annum. It is anticipated that the recovery period is fifteen years.
- the Academy has net current assets of £138,282 (2019 - £63,750) equivalent to its working capital, which enables the payment of debts as they fall due; and
- the Department for Education has committed to funding the Academy in 2020/21.

Income

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

Grants

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

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

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

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES - continued

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Donated facilities and services provided to the Academy are recognised at their value to the Academy in the period when it is probable that the economic benefits associated with the donated items will flow to the Academy, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset in which case the gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

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

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for nil consideration and has been accounted for under the acquisition method of accounting.

The assets and liabilities transferred on conversion from a state maintained school to an academy have been valued at fair value, at the date of conversion, being a reasonable estimate of current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Lickhill Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income (net income/net expenditure) in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The Academy's land and buildings were included within the accounts on conversion on the basis of the valuation commissioned by the ESFA. The house on academy property was also included on the conversion at open market value based on a professional valuation. The Academy has continued to hold land and buildings in the accounts at this value less any applicable depreciation.

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.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES - continued

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Freehold buildings	5 years/25 years
Fixtures and fittings	5 years
Computer equipment	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stocks

Stock represents unused classroom resources and are valued at the lower of cost and net realisable value.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES - continued

Taxation

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

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

Fund accounting

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

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.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is a 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Liabilities

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

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

1. ACCOUNTING POLICIES - continued

Liabilities

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

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

Leased Assets

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

Investments

The Academy's shareholding in the wholly owned subsidiary, Lickhill Consultancy Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation, in the opinion of the trustees, exceeds the benefit derived.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	-	1,200	1,200	6,228
Grants	-	39,715	39,715	642,166
	-	40,915	40,915	648,394

Grants received, included in the above, are as follows:

	2020 £	2019 £
Academy main buildings grants	33,397	626,581
Other DfE/ESFA Grants	6,318	15,585
	39,715	642,166

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Other income from the academy trust's educational operations	-	24,677	24,677	13,118
Grants receivable	-	927,594	927,594	885,264
	-	952,271	952,271	898,382

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	783,746	783,746	770,486
Other DfE/ESFA Grants	-	123,283	123,283	99,524
	-	907,029	907,029	870,010
Other government grant				
Local authority grants	-	20,565	20,565	14,754
Other grants				
Other grants	-	-	-	500
	-	927,594	927,594	885,264

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Hire of facilities	10,254	5,926	16,180	32,678
Income from wrap around care	123,820	-	123,820	149,415
Miscellaneous income	7,767	-	7,767	20,103
	141,841	5,926	147,767	202,196

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Deposit account interest	27	62	89	236

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

6. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Direct costs	112,627	-	9,140	121,767	117,028
Allocated support costs	-	17,018	4,846	21,864	42,593
Charitable activities					
Academy's educational operations					
Direct costs	721,232	101,706	60,060	882,998	869,184
Allocated support costs	85,567	55,617	77,633	218,817	221,841
	<u>919,426</u>	<u>174,341</u>	<u>151,679</u>	<u>1,245,446</u>	<u>1,250,646</u>

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	118,840	98,839
Auditors' remuneration	8,500	8,500
Auditors' remuneration for non audit work	1,250	1,170
Operating leases - other leases	<u>2,522</u>	<u>2,522</u>

Included within resources expended are the following transactions

	£
Unrecoverable debts	<u>5,698</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Direct costs	-	882,998	882,998	869,184
Support costs	-	218,817	218,817	221,841
	<u>-</u>	<u>1,101,815</u>	<u>1,101,815</u>	<u>1,091,025</u>

	2020 Total £	2019 Total £
Analysis of support costs		
Support staff costs	85,567	77,607
Depreciation	7,341	8,556
Technology costs	3,705	3,956
Premises costs	55,617	57,799
Other support costs	54,344	61,425
Governance costs	12,243	12,498
Total support costs	<u>218,817</u>	<u>221,841</u>

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head and staff members under their contracts of employment, and not in respect of their role as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

J Lloyd (Head and trustee)

Remuneration £55,000 - £60,000 (2019 £50,000 - £55,000)

Employer's pension contributions £10,000 - £15,000 (2019 £5,000 - £10,000)

K Rodriguez (Assistant head and staff trustee)

Remuneration £25,000 - £30,000 (2019 £5,000 - £10,000)

Employer's pension contributions £5,000 - £10,000 (2019 £Nil - £5,000)

R Williams (Staff trustee)

Remuneration £30,000 - £35,000 (2019 £30,000 - £35,000)

Employer's pension contributions £Nil - £5,000 (2019 £Nil - £5,000)

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2020 nor for the year ended 31st August 2019.

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	647,829	668,391
Social security costs	47,883	55,148
Operating costs of defined benefit pension schemes	215,395	197,495
	<hr/>	<hr/>
	911,107	921,034
Supply teacher costs	8,319	6,994
	<hr/>	<hr/>
	919,426	928,028
	<hr/>	<hr/>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Teachers	7	9
Administration and support	25	28
Management	3	2
	<hr/>	<hr/>
	35	39
	<hr/>	<hr/>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

9. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £205,584 (2019 - £200,333).

10. TRUSTEES' AND OFFICERS' INSURANCE

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	3,768	100	644,526	648,394
Charitable activities				
Funding for the academy's educational operations	-	898,382	-	898,382
Other trading activities	169,518	32,678	-	202,196
Investment income	43	27	166	236
Total	173,329	931,187	644,692	1,749,208
EXPENDITURE ON				
Raising funds	159,621	-	-	159,621
Charitable activities				
Academy's educational operations	-	991,719	99,306	1,091,025
Total	159,621	991,719	99,306	1,250,646
NET INCOME/(EXPENDITURE)	13,708	(60,532)	545,386	498,562
Transfers between funds	-	(27,702)	27,702	-
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(279,000)	-	(279,000)
Net movement in funds	13,708	(367,234)	573,088	219,562

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	32,836	(330,000)	1,489,807	1,192,643
TOTAL FUNDS CARRIED FORWARD	<u>46,544</u>	<u>(697,234)</u>	<u>2,062,895</u>	<u>1,412,205</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st September 2019	2,519,423	92,376	56,856	2,668,655
Additions	-	19,072	4,832	23,904
At 31st August 2020	<u>2,519,423</u>	<u>111,448</u>	<u>61,688</u>	<u>2,692,559</u>
DEPRECIATION				
At 1st September 2019	508,903	62,485	44,813	616,201
Charge for year	101,706	9,793	7,341	118,840
At 31st August 2020	<u>610,609</u>	<u>72,278</u>	<u>52,154</u>	<u>735,041</u>
NET BOOK VALUE				
At 31st August 2020	<u>1,908,814</u>	<u>39,170</u>	<u>9,534</u>	<u>1,957,518</u>
At 31st August 2019	<u>2,010,520</u>	<u>29,891</u>	<u>12,043</u>	<u>2,052,454</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st September 2019 and 31st August 2020	<u>1</u>
NET BOOK VALUE	
At 31st August 2020	<u>1</u>
At 31st August 2019	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

13. FIXED ASSET INVESTMENTS - continued

Lickhill Consultancy Limited

Registered office:

Nature of business: Training providers

Class of share:	%
Ordinary	holding 100

	2020	2019
	£	£
Aggregate capital and reserves	1	1

The amount due from Lickhill Consultancy Limited as at 31 August 2020 was £598 repayable in one year and on demand (2019 £1,982).

The accounts present information of the academy trust as an individual undertaking and not as a group.

14. STOCKS

	2020	2019
	£	£
Stocks	4,352	4,499

The above stock consists of educational equipment.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	3,941	19,629
Amounts owed by group undertakings	598	3,768
Other debtors	19,680	16,436
Prepayments	30,595	29,893
	<u>54,814</u>	<u>69,726</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	19,179	37,687
Amounts owed to group undertakings	-	1,786
Social security and other taxes	11,706	11,491
Other creditors	23,738	16,865
Accruals and deferred income	61,461	145,409
	<u>116,084</u>	<u>213,238</u>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred income

	2020	2019
	£	£
Deferred income at 1 September 2019	16,952	262,367
Released from previous years	(16,952)	(262,367)
Resources deferred in the year	14,524	16,952
	<u>14,524</u>	<u>16,952</u>
Deferred Income at 31 August 2020	<u>14,524</u>	<u>16,952</u>

At the balance sheet date the Academy was holding funds received in advance for UIFSM income.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Between one and five years	<u>3,784</u>	<u>6,306</u>

18. MEMBERS' LIABILITY

Each member of the Academy Trust 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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	2020 Total funds £
Fixed assets	-	-	1,957,518	1,957,518
Investments	-	1	-	1
Current assets	53,301	144,315	56,750	254,366
Current liabilities	(8,521)	(88,679)	(18,884)	(116,084)
Pension liability	-	(813,000)	-	(813,000)
	<u>44,780</u>	<u>(757,363)</u>	<u>1,995,384</u>	<u>1,282,801</u>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

			2019
	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £
Fixed assets	-	-	2,052,454
Investments	-	1	-
Current assets	60,263	103,830	112,895
Current liabilities	(13,720)	(97,065)	(102,453)
Pension liability	-	(704,000)	-
	<u>46,543</u>	<u>(697,234)</u>	<u>2,062,896</u>
			<u>1,412,205</u>

20. MOVEMENT IN FUNDS

	At 1/9/19 £	Net movement in funds £	Transfers between funds £	At 31/8/20 £
Unrestricted funds				
Unrestricted funds	46,543	(1,763)	-	44,780
Restricted funds				
Restricted general funds	6,766	51,417	(2,546)	55,637
Restricted fixed asset funds	2,062,896	(70,058)	2,546	1,995,384
Pension reserve	(704,000)	(109,000)	-	(813,000)
	<u>1,365,662</u>	<u>(127,641)</u>	<u>-</u>	<u>1,238,021</u>
TOTAL FUNDS	<u>1,412,205</u>	<u>(129,404)</u>	<u>-</u>	<u>1,282,801</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	141,868	(143,631)	-	(1,763)
Restricted funds				
Restricted general funds	950,393	(898,976)	-	51,417
Restricted fixed asset funds	48,781	(118,839)	-	(70,058)
Pension reserve	-	(84,000)	(25,000)	(109,000)
	<u>999,174</u>	<u>(1,101,815)</u>	<u>(25,000)</u>	<u>(127,641)</u>
TOTAL FUNDS	<u>1,141,042</u>	<u>(1,245,446)</u>	<u>(25,000)</u>	<u>(129,404)</u>

LICKHILL PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST AUGUST 2020**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/18 £	Net movement in funds £	Transfers between funds £	At 31/8/19 £
Unrestricted funds				
Unrestricted funds	32,836	13,707	-	46,543
Restricted funds				
Restricted general funds	-	34,468	(27,702)	6,766
Restricted fixed asset funds	1,489,807	545,387	27,702	2,062,896
Pension reserve	(330,000)	(374,000)	-	(704,000)
	<u>1,159,807</u>	<u>205,855</u>	<u>-</u>	<u>1,365,662</u>
TOTAL FUNDS	<u>1,192,643</u>	<u>219,562</u>	<u>-</u>	<u>1,412,205</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted funds	173,329	(159,622)	-	13,707
Restricted funds				
Restricted general funds	931,187	(896,719)	-	34,468
Restricted fixed asset funds	644,692	(99,305)	-	545,387
Pension reserve	-	(95,000)	(279,000)	(374,000)
	<u>1,575,879</u>	<u>(1,091,024)</u>	<u>(279,000)</u>	<u>205,855</u>
TOTAL FUNDS	<u>1,749,208</u>	<u>(1,250,646)</u>	<u>(279,000)</u>	<u>219,562</u>

Restricted funds

Restricted general fund

This fund is GAG related and is restricted to the purpose for which it is received.

Pension reserve

The pension reserve forms part of the restricted general fund and relates to the Academy Trust's share of the deficit of the Worcestershire County Council Local Government Pension Fund.

Fixed asset fund

These grants relate to funding received from the ESFA to carry out works of a capital nature.

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £23,655 were payable to the schemes at 31 August 2020 (2019 - £16,865) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £80,237 (2019 - £60,321).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

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 2020 was £69,579 (2019 - £58,561), of which employer's contributions totalled £52,024 (2019 - £42,690) and employees' contributions totalled £17,555 (2019 - £15,871). The agreed contribution rates for future years are 18.4% per cent for employers and between 5.5% and 12.5% per cent for employees.

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

In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next three years at an average of £11,000 per annum. It is anticipated that the recovery period is fifteen years.

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

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(1,398,000)	(1,217,000)
Fair value of plan assets	585,000	513,000
	(813,000)	(704,000)
Present value of unfunded obligations	-	-
Deficit	(813,000)	(704,000)
Net liability	(813,000)	(704,000)

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	124,000	82,000
Net interest from net defined benefit asset/liability	11,000	9,000
Past service cost	-	46,000
Administration expenses	1,000	1,000
	136,000	138,000
Actual return on plan assets	9,000	20,000

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	1,217,000	766,000
Current service cost	124,000	82,000
Past service cost	-	46,000
Contributions by scheme participants	18,000	16,000
Interest cost	21,000	22,000
Actuarial losses/(gains)	30,000	286,000
Benefits paid	(12,000)	(1,000)
	<u>1,398,000</u>	<u>1,217,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	513,000	436,000
Contributions by employer	52,000	43,000
Contributions by scheme participants	18,000	16,000
Interest on plan assets	10,000	13,000
Actuarial gains/(losses)	5,000	7,000
Benefits paid	(12,000)	(1,000)
Assets administration costs	(1,000)	(1,000)
	<u>585,000</u>	<u>513,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses) assets	5,000	7,000
Actuarial gains/(losses) obligations	(30,000)	(286,000)
	<u>(25,000)</u>	<u>(279,000)</u>

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Equities	385,000	363,000
Government Bonds	39,000	38,000
Other Bonds	31,000	26,000
Property	32,000	31,000
Cash	25,000	15,000
Other	73,000	40,000
	<u>585,000</u>	<u>513,000</u>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2020	2019
Increase in salaries	3.80%	3.50%
Inflation assumption (CPI)	2.30%	2.00%
Discount rate	1.80%	1.80%
Rate of increase for pensions	2.40%	2.10%

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

At 31 August 2020:

	2020	2019
Retiring today		
Males	22.6	22.8
Females	25.0	25.8
Retiring in 20 years		
Males	24.2	25.1
Females	27.0	28.2

Sensitivity analysis

The sensitivity analysis for the principal assumptions used to measure scheme liabilities is as follows:

	2020	2019
	£'000	£'000
Discount rate +0.1%	1,359	1,180
Discount rate -0.1%	1,438	1,255
Mortality assumption - 1 year increase	1,437	1,239
Mortality assumption - 1 year decrease	1,360	1,195

LICKHILL PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST AUGUST 2020

21. PENSION AND SIMILAR OBLIGATIONS - continued

CPI rate +0.1%	1,438	1,256
CPI rate - 0.1%	1,359	1,179
p.a. pay growth +0.1%	1,404	1,224

22. RELATED PARTY DISCLOSURES

All transactions with related parties are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related parties. The following related party transactions took place in the financial period.

During the year the Academy paid a salary of £25,278 (2019 - £17,422) to A Williams, wife of staff trustee R Williams, in respect of her employment in the school.

During the year the Academy charged consultancy and administration costs of £Nil (2019 - £13) to Lickhill Consultancy Limited, a wholly owned subsidiary company. The Academy was charged training costs of £Nil (2019 - £600) by Lickhill Consultancy Limited. During the year the subsidiary made a donation to the Academy of £Nil (2019 - £3,768). As at 31 August 2020 the net amount due from Lickhill Consultancy Limited to the Academy was £598 (2019 - £1,982).