

Registration number: 07808707

# Lisle Marsden Church of England Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017



Forrester Boyd  
26 South Saint Marys Gate  
Grimsby  
N E Lincolnshire  
DN31 1LW

# **Lisle Marsden Church of England Primary Academy**

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## **Lisle Marsden Church of England Primary Academy**

### **Reference and Administrative Details**

<b>Members</b>	Reverend A Dodd Lincoln Diocesan Trust Father E Martin J Woolner
<b>Governors and Trustees (Directors)</b>	K Bruning, (Finance and Audit Committee) (resigned 10 October 2016) R Lockwood, (Finance and Audit Committee) J Woolner, Chair, (Finance and Audit Committee) D Kinsey, (Finance and Audit Committee) C Daniel, (Finance and Audit Committee) Reverend A Dodd, (Finance and Audit Committee) K Davies, (Finance and Audit Committee) N Drury, (Finance and Audit Committee) (resigned 6 November 2017) J Bacon, (Finance and Audit Committee) Father E Martin A-M Jennings K Williams S Carratt (resigned 13 September 2016) D Critten (appointed 15 November 2016 and resigned 26 June 2017)
<b>Senior Management Team</b>	D Kinsey, Head of Academy, (Finance and Audit Committee) S Dodsworth, Assistant Headteacher Y Williamson, Academy Business Manager P Allen, Deputy Headteacher
<b>Principal and Registered Office</b>	Lansdowne Avenue Grimsby N E Lincolnshire DN32 0DF
<b>Company Registration Number</b>	07808707
<b>Auditors</b>	Forrester Boyd 26 South Saint Marys Gate Grimsby N E Lincolnshire DN31 1LW
<b>Bankers</b>	The Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RF

## **Lisle Marsden Church of England Primary Academy**

### **Reference and Administrative Details (continued)**

#### **Solicitors**

Wilkin Chapman LLP  
26 Chantry Lane  
Grimsby  
N. E. Lincolnshire  
DN31 2LJ

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report (incorporating the strategic report), and a directors' report under company law.

The Academy caters for children aged 4 - 11 and admits pupils from both within and outside our catchment area using the criteria contained in our admission policy. As at the beginning of September 2016 there were 561 pupils on roll.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07808707.

The governors act as the trustees for the charitable activities of Lisle Marsden Church of England Primary Academy and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

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

##### ***Trustees' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

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

Full details relating to the appointment and removal of governors are contained in the articles of association, with a brief summary given below.

There are 10 governors including the headteacher. All but four are appointed by the Members as advised by the Lincoln Diocesan Trust. Two governors are elected from within the parent body and two from the staff. Parent governors must be parents at the academy at the time of their election.

The term of office of governors is 4 years (except for the headteacher). Subject to remaining eligible any governor may be re-appointed or re-elected.

The Secretary of State may also appoint additional governors if he / she feels it appropriate and ultimately has the power to take over the governance of the academy. No such governors have been appointed at this time.

During the period under review, the governors held three formal full governing body meetings.

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

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

The Governing Body subscribes to a training service provided for governors by the local authority. All new governors attend the initial course and serving governors are encouraged to keep up to date by attending refreshers. All new governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to undertake their role as governors. The Lincoln Diocese also provide training to Foundation governors and non- Foundation governors to support them in their role.

#### ***Organisational structure***

The governing body operates a number of sub-committees, the most important of which are the Standards and Curriculum, Finance and Audit and Human Resources Committees. In the case of Standards and Curriculum Committee: the committee monitors pupil achievement, has an over view of the academy curriculum ensuring it provides both breadth balance and challenges academy leaders in relation to rates of progress for all groups of pupils including disadvantaged children. The Finance and Audit Committee has overall responsibility for setting and monitoring the budget for the academy and financial procedures. It delegates day to day responsibility for the management of the academy budget to the academy's Accounting Officer. The Human Resources Committee takes sole responsibility for the appointment of the headteacher. Joint responsibility for the appointment of teachers is held with the Heads' team. Other staff appointments and the day to day supervision of staff are delegated to the academy's Senior Leadership team. The Standards and Curriculum Committee met 5 times within the period covered by this report, the Finance and Audit Committee met 5 times and the Human Resources Committee met once.

#### ***Arrangements for setting pay and remuneration of key management personnel***

The governors' produce an annual Pay Policy which takes account of recommendations made by the School Teachers Review Body and the Local Government Association. The governors' Pay Committee (made up of HR and Finance and Audit Committee members) meet annually to consider any nationally agreed pay award(s) and how to apply the uplift to salary points stated within the policy. Members of the academy's SLT are paid on the Leadership Scale or higher scale points of the NJC scale relative to their level of responsibility (job descriptions), pay differentials, and size of school (group 4). Members of the Pay Committee consider recommendations made annually by the Headteacher with regard to any performance related pay incremental rises based on the outcomes of the annual appraisal cycle.

#### ***Risk management***

The governors have assessed the major risks to which the academy is exposed, in particular those relating to leadership and teaching, provision of facilities and other operational areas of the academy and its finances. The governors have established systems to manage risk and have a framework of internal financial controls (see below) in order to minimise risk. Over the period reported all previous systems were reviewed and brought up to date in line with current legislative requirements.

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

For the period covered by the report Lisle Marsden continued to work in close partnership with the Diocese of Lincoln as a Church of England Aided Primary Academy. For the period covered by the report, headteacher Mr. Kinsey, sat on the Board of Lisle Marsden Childcare (a separate company operating in part of the premises of the academy as a tenant of the academy). During the period of the report Lisle Marsden continued to work in partnership with a small group of academies (written agreement, no legal standing) with the remit of working together for the mutual educational benefit of all parties. The academy continues to work in close cooperation with North East Lincolnshire Council's school improvement service, during the period covered by the report Lisle Marsden received the grading of 'Self Sustaining School Status'.

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

To manage a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to the advice of the Lincoln Diocesan Board of Education.

##### ***Objectives, strategies and activities***

Continuing to effectively and strategically manage the planned growth (pupil numbers) of the academy by 20%, over 7 years, following an agreement with the Local Authority to increase Pupil Admission Numbers (PAN) to 90 on entry, was a key objective. To successfully continue to manage this process, the governors had to ensure that school infrastructure was in place to facilitate the plan and re-structure teaching and staffing arrangements to effectively manage this growth in numbers. The 3 Foundation classes and 6 Key Stage One classes are now at PAN and pupil numbers are now rising in Key Stage 2. Long term sustainability to be achieved by this plan was a key objective, planned growth resulted in all new pupil places being filled. Continuing positive parental perceptions of the academy within the local area, based on continued academic success and external validation by OFSTED/SIAMS 'Good or better,' continue to be key to this objective being met.

A further key objective of the trustees was to fully prepare the academy for the new Government National Schools Funding Formula. Appropriate strategic financial forward planning would be necessary to ensure the academy was fully prepared for any changes, to ensure sustainability and no negative outcomes to pupil education. The academy learnt that it would have a two-year real term reduction in funding equating to -2.9%. Due to careful planning the academy was well prepared to manage this significant reduction in core funding.

A further key objective/aim of the governors during the reported year, was to successfully implement a new approach to the teaching of mathematics in Year 1 –Year 6. This new 'maths mastery' approach based on pedagogy and teaching methodology from Singapore, was specifically introduced to raise standards in mathematics across the academy with the aim of more pupils reaching age related expectations earlier. The approach required a significant investment in new resources and staff training.

Continuing to exceed both national and local outcomes in the new national testing arrangements for Key Stage 1 and Key Stage 2 (Interim Standards and SATs) 2017, was a key objective for the governing body. Good outcomes meeting this goal would provide strong evidence to the trustees that changes to strategic school leadership and curriculum change are embedded and producing strong and sustained pupil progress across the academy.

Sustaining high standards in the Early Years Foundation Stage - as measured by a GLD outcome in excess of the national and local mean figure, and maintenance of high pupil outcomes in reading in Year 1- as measured by the 'Year 1 Phonics Check' (outcomes above the national mean); was a key objective of the governing body in ensuring that all pupils are given the best possible start when they join the academy and that this is continued when pupils enter Key Stage 1.

Introducing a new systematic and cyclical approach to the teaching of writing linked to the academy's thematic curriculum was another key strategic goal taken by the governing body, with the long term aim of raising standards of attainment in pupils' writing outcomes as measured by teacher assessment. This approach required staff training and monitoring of the approach throughout the year to measure the success of the new teaching and learning strategy.

Introducing a new whole school approach to the teaching of Personal Social Health Education including Sex and Relationships Education was another key objective of the governing body.

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

Developing leadership capacity at all levels throughout the academy was a key element of the academy's School Development plan for 2016-2017. Working in close partnership with the Humber Teaching School, the Diocese of Lincoln and existing partnership arrangements, to provide opportunities for staff to develop and widen their skill set, was seen as essential in both ensuring stability and sustainability, retaining key staff members and supporting the academy to move forwards toward achieving an OFSTED 'Outstanding' grading at its next section 5 inspection.

Continuing to build on the successful programmes of pupil intervention programmes, together with increased levels of good and outstanding 'quality first' teaching to close the attainment gap for all vulnerable groups of pupils, as well as effective use of the pupil premium grant to support disadvantaged pupils to overcome barriers to learning and reach outcomes in line with non-eligible pupils, was a further key objective.

#### ***Public benefit***

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.



## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

Overall Pupil Performance at Lisle Marsden (as measured by end of Key Stage 2 National assessments) was very high, with standards of attainment and progress both significantly above national comparisons in all subjects and measures as confirmed by Analyse Pupil Performance/ Perspective Lite.

Standards as measured by the Foundation Stage Profile data (pupils judged to have achieved a Good Level of Development) fell for the first time in four years to a level below the national mean figure.

High pupil performance (2016 outcomes) exceeding the national mean as measured by the Year 1 Phonics Check, were maintained in 2017. Outcomes in Phonics exceeded both the national and local position.

Pupil attainment at the end of Key Stage 1 as measured by Year 2 national assessments exceeded national outcomes in reading, writing and maths.

Progress levels as measured by pupil outcomes in Year 6 (2017) from their Year 2 (2013) starting points in all subject areas were very good, with outcomes well above National expectations progress score '0' in all subject areas.

Many more children at Lisle Marsden attain standards to a greater depth/ achieve the higher standard compared with pupils nationally.

Pupil Premium pupils made excellent progress in excess of non-eligible pupils to achieve outcomes well above those of other pupil premium children, with the attainment gap almost eliminated between eligible and non-eligible pupils.

Minimum government 'Floor' targets were achieved with regard to both attainment and progress all subjects. The academy met the Governments coasting school floor target.

##### **Achievements as measured by available data.**

##### **Overall Academy Performance Data Measured by Year 6 Outcomes in National Assessments**

Progress	Reading	Writing	Maths
Lisle	+1.8	+2.8	+3.1
National	0	0	0

Aggregate Scaled Score	Reading	GPS	Maths
Lisle	105.6	107.5	107
National	104.1	106	104.2

% Expected Standard 100+	Reading	Writing	GPS	Maths
Lisle	80%	89%	87%	92%
National	71.5%	76%	77%	75%

## Lisle Marsden Church of England Primary Academy

### Trustees' Annual Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report

% Greater Depth Standard 110+	Reading	Writing	GPS	Maths
Lisle	33%	31%	36%	33%
National	24.5%	18%	31%	22%

Reading, Writing and Maths Combined Floor Target: 100+	
Lisle	75%
National	61%
Reading, Writing and Maths Combined Greater Depth: 110+	
Lisle	15%
National	9%

#### Year 2 Pupil Performance Outcomes Measured by end of Key Stage 1 National Assessments

% Pupil Achieving National Expectations	Reading	Writing	Maths
Lisle	75.9%	70.1%	79.3%
National	75.5%	68.2%	75.1%

% Pupil Achieving Greater Depth Standard	Reading	Writing	Maths
Lisle	34.5%	12.6%	29.9%
National	25.2%	15.6%	20.5%

#### Year 1 Phonics Outcomes

Lisle pupils attaining the expected standard in the Year 1 Phonics Check – 85.6%

National comparison for pupils attaining the expected standard in the Year 1 Phonics Check – 81.2%

#### Early Years Foundation Stage (EYFS) Outcomes 2017

	EYFS Average Point Score
Lisle Marsden	35.2
National Average	34.5
	% Pupils attaining a Good Level of Development
Lisle Marsden	64%
National Average	71%

# **Lisle Marsden Church of England Primary Academy**

## **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

### **Strategic Report**

#### ***Going concern***

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

#### **Financial review**

The majority of the income and expenditure of the academy is similar to that of a school. For academies the General Annual Grant (GAG) consists mainly of funding for the pupils between 4 and 11 based on the 'replication' of the local authority's funding formula. The academy also receives some income as a result of hiring out its premises to other bodies such as the Grimsby District Youth Orchestra and Lisle Marsden Childcare Ltd.

#### ***Financial and risk management objectives and policies***

As mentioned earlier, the governors have assessed the major risks to which the academy is exposed. The Academy has produced a comprehensive 'Risk Register - Strategic and Reputational Risk' document as well as 'Business Continuity Plan'. Both these documents and associated procedures are reviewed annually. The trustees through its Finance and Audit Committee have established a number of internal financial controls and mechanisms to meet all statutory requirements and good practice guidelines laid down in the ESFA Academies Financial Handbook. These Policies and procedures are reviewed annually and scrutinized at audit.

#### ***Reserves policy***

The governors review the level of reserves held annually. In addition, the Finance and Audit Committee reviews them every month. The annual review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should not be less than one month's salary expenditure – approximately £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets plus restricted pension funds) is £572,543 (2016: £510,210) which is above the stated amount. This amount is currently allocated and maintained as reserves for the following reasons: £150,000 contingency/ one month working capital. £25,000 for possible staff sickness. The Trustees of the academy are actively accruing additional reserves of unrestricted income towards funding a Capital project linked to the expansion of the academy. Following a PAN rise of 20%, the academy requires new capital assets (SEND teaching facilities, pupil intervention teaching facilities and administration facilities), this building plan will be funded from the academy's additional free reserves currently at £595,357.

The academy held fund balances at 31 August 2017 of £95,431 (2016: £321,661) comprising £870,888 (2016: £939,451) of restricted fixed asset funds (which can only be realised by disposing of tangible fixed assets), £100,670 (2016: £89,964) of restricted general funds, £471,873 (2016: £420,246) of unrestricted general funds and a pension reserve deficit of £1,348,000 (2016: £1,128,000).

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

#### **Strategic Report**

##### ***Investment policy***

The academy invests its reserves in short-term interest earning low risk savings accounts.

The academy investments are managed by Dynamic Cash Management who are authorised and regulated by the Financial Conduct Authority. They regularly review our investments and the interest rates available and make recommendations based on their findings. They also assess the security of any institutions they recommend as part of their due diligence procedures. All investments are held in the name of the academy with 2 out of 3 signatures required for any withdrawals. As at 31 August 2017 the academy had funds invested as follows; £150,000 as salary reserves, £25,000 sickness contingency and £344,779 for capital improvement works which also includes ICT and any other items of capital expenditure.

##### ***Principal risks and uncertainties***

The principal risks have been identified by the Trustees and include:

- Reduction of government funding
- Loss of key personnel.

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

#### **Strategic Report**

##### ***Plans for future periods***

Ensure pupil attainment outcomes as measured by National assessments (2018) demonstrate that pupils at Lisle Marsden achieve in excess of the National mean figure in all subject areas.

Ensure the overall rate at which pupils' progress at the academy is in excess of the national mean (2018 in all subject areas as measured by new National progress measures).

Further improve educational standards in all year groups to raise levels of pupil attainment towards achieving 'age related expectations' as defined by National Curriculum 2014. Measured by attainment of Coasting School Floor target 85% combined.

Continue to close the attainment gap for disadvantaged pupils through carefully targeted use of the Pupil Premium grant.

Raise the attainment of pupils within the Foundation Stage to a position in line with national expectations (Good Level of Development).

##### **Key Strategic Developments:**

##### **1) Capital Works Programme**

We will continue to accrue capital resources towards funding a five year Capital Improvement Plan aligned where possible to potentially successful CIF bids (roof renewal). We will continue to focus on providing accommodation/ expanding classroom space to ensure accommodation supports the highest possible outcomes for pupil attainment and emotional wellbeing.

##### **2) General Staffing Plan**

We will continue to act upon the results of the new appraisal and pay policies in relation to enhancements and also competencies. We will continue to strategically address the issue of an expanding academy with regard to appropriate staffing to facilitate and support the newly revised class structure. Enhancements in staffing will also deal with, intervention teaching plans and support for vulnerable pupils including pupils classed as 'disadvantaged'. We will facilitate the ITT Teach First Programme to ensure future stability in teacher recruitment.

##### **3) Management**

We will continue to develop the effectiveness of the academy Senior Leadership team in close partnership with the governing body. We will strengthen partnerships with the Diocese and local Teaching School. Further development of the Leader of Learning team will focus on increased understanding and accountability for Standards within each academy phase as well as leading staff development within each phase through a model of best practice. We will engage in a school peer to peer review programme with an out of area school, to support the development of the academy's SLT and support our self-evaluation.

## **Lisle Marsden Church of England Primary Academy**

### **Trustees' Annual Report for the Year Ended 31 August 2017 (continued)**

#### **Strategic Report**

##### **4) Inspection**

It is now three years since our July 2014 GOOD grading. We will aim to demonstrate to OFSTED in any Section 5 inspection that the key issues as stated in the Post OFSTED Improvement Plan have been fully addressed and that the academy's self-evaluation supports an 'Outstanding' grading. Following our successful SIAMs Section 48 Religious Inspection grading (November 2014 Good grading) we will continue to work towards the goal of achieving an 'Outstanding Church School' grading, to be validated in the 2019 inspection process. We also aim to achieve the National RE Quality Mark - Gold Standard.

##### **5) Curriculum**

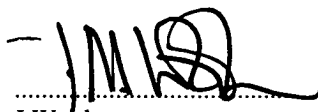
Following successful implementation of the academy's curriculum development plans in 2016-2017, we will continue to focus on improving the teaching of mathematics across the academy through the academy's maths mastery teaching approach 'Maths No Problem'. We will further develop approaches to the teaching of Reading and Writing. We will introduce the National Society's new teaching approach to further improve standards of teaching in RE - Understanding Christianity. We will also further broaden our Arts curriculum and attempt to re-validate our Arts Mark (Gold Standard).

#### **Auditor**

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its behalf by:

  
J Woolner  
Governor and trustee

# **Lisle Marsden Church of England Primary Academy**

## **Governance Statement**

### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to D Kinsey, 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 Lisle Marsden Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Reverend A Dodd	3	3
C Daniel	2	3
J Woolner	3	3
D Kinsey	3	3
R Lockwood	2	3
K Bruning	0	1
K Davies	3	3
Father E Martin	0	3
N Drury	3	3
A-M Jennings	3	3
K Williams	3	3
D Critten	0	2

### **Governance reviews**

The Academy continues to actively encourage the appointment of Governors with essential skills.

The Board is consistently monitoring its own standards of governance to identify any areas of weakness.

Plans would be implemented to improve such areas if they were identified.

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to review actual financial reports compared to the budget, authorise expenditure over a certain amount, and to ensure the systems and controls are working efficiently and effectively. Attendance at meetings during the year was as follows:

## **Lisle Marsden Church of England Primary Academy**

### **Governance Statement (continued)**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Woolner	5	5
D Kinsey	5	5
Reverend A Dodd	1	5
C Daniel	4	5
R Lockwood	3	5
K Davies	2	5
N Drury	0	5
Father E Martin	0	5
D Critten	0	4

#### **Review of value for money**

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Following discussions with the local authority it was agreed that with effect from 1 September 2014 we would increase our PAN from 75 to 90 per year group in order to satisfy the demand for places in this area. NELC made a successful application for funding and converted an existing set of toilets and cloakrooms into a new classroom. In addition, a new set of toilets and cloakrooms were completed by converting a previously unused internal quad area. They also built a new extension to the academy's existing building which provided a further 2 classrooms, associated cloakrooms and toilets and a small additional learning room. The academy has successfully filled these additional places for two successive years and is running at maximum pupil numbers in Foundation Stage and Key Stage 1 and Year 3 is currently oversubscribed.

- The academy's outcomes as measured by examination results and pupil progress, were in excess (and in many cases significantly in excess) of both the local and national position in all measures. Results of this nature demonstrate the effective use of academy's financial resources, strategic planning and the positively measurable outcomes of the governors' school improvement priorities.

- The academy receives significant funding in addition to the GAG in the form of the Pupil Premium grant. The governors can demonstrate improved value for money in 2016-2017 as the attainment between disadvantaged and non-disadvantaged children was effectively closed in all subject areas (end of Key stage 2 test outcomes).

DFE national benchmarking data comparing Lisle Marsden to 'similar' schools using financial information and workforce census data makes clear that Lisle Marsden achieves high outcomes with how it allocates and prioritises its funds - demonstrating good value for money.

Parental satisfaction rates as recorded by 'Parent View' for the standard of education provided to their children are very high in all areas of the 2017 OFSTED questionnaire. This demonstrates that the academy is providing very good value for money for its core community public user group.



## **Lisle Marsden Church of England Primary Academy**

### **Governance Statement (continued)**

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

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

#### **The risk and control framework**

The Academy 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 Governing Body;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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 Forrester Boyd as internal reviewer (IR)

The internal auditor'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 banking systems
- testing of income systems
- review of high level controls
- controls surrounding fixed assets.

After each review, the internal auditor has reported to the Governing Body through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the IR to date.

#### **Review of effectiveness**

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

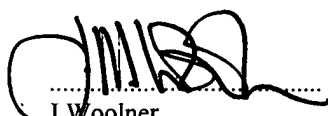
## **Lisle Marsden Church of England Primary Academy**

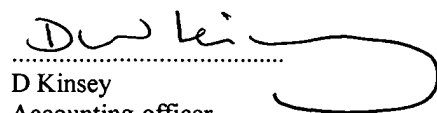
### **Governance Statement (continued)**

- the work of the internal reviewer;
- the work of the external auditor;
- 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 Audit 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 12 December 2017 and signed on its behalf by:

  
.....  
J Woolner  
Governor

  
.....  
D Kinsey  
Accounting officer

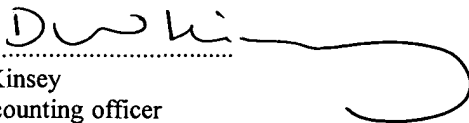
## **Lisle Marsden Church of England Primary Academy**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Lisle Marsden Church of England Primary Academy I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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 Governing Body and ESFA.

  
.....  
D Kinsey  
Accounting officer

12 December 2017

## **Lisle Marsden Church of England Primary Academy**

### **Statement of Trustees' Responsibilities**

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

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

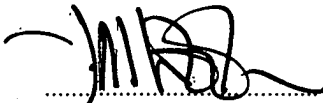
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 12 December 2017 and signed on its behalf by:



J Woolner  
Governor and trustee

## **Lisle Marsden Church of England Primary Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Lisle Marsden Church of England Primary Academy**

#### **Opinion**

We have audited the financial statements of Lisle Marsden Church of England Primary Academy (the 'Academy Trust') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

## **Lisle Marsden Church of England Primary Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Lisle Marsden Church of England Primary Academy (continued)**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees (who are also the directors of the Academy for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Lisle Marsden Church of England Primary Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Lisle Marsden Church of England Primary Academy (continued)**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



.....  
Kevin Hopper ACA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Marys Gate  
Grimsby  
N E Lincolnshire  
DN31 1LW

12 December 2017

## **Lisle Marsden Church of England Primary Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Lisle Marsden Church of England Primary Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 August 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lisle Marsden Church of England Primary Academy during the period 1 September 2016 to 31 August 2017 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 the Lisle Marsden Church of England Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Lisle Marsden Church of England Primary Academy 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 the Lisle Marsden Church of England Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Lisle Marsden Church of England Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Lisle Marsden Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 26 January 2012 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 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 2016 to 2017. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

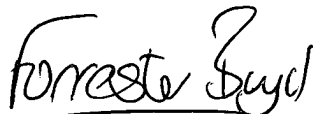


## **Lisle Marsden Church of England Primary Academy**

### **Independent Reporting Accountant's Assurance Report on Regularity to Lisle Marsden Church of England Primary Academy and the Education and Skills Funding Agency (continued)**

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Kevin Hopper ACA (Reporting Accountant)  
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Marys Gate  
Grimsby  
N E Lincolnshire  
DN31 1LW

12 December 2017

# Lisle Marsden Church of England Primary Academy

## Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	38,003	-	10,176	48,179
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,508,284	-	2,508,284
Other trading activities	4	64,321	-	-	64,321
Investments	5	6,049	-	-	6,049
Total		<u>108,373</u>	<u>2,508,284</u>	<u>10,176</u>	<u>2,626,833</u>
<b>Expenditure on:</b>					
Raising funds	6	46,332	3,268	-	49,600
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>10,414</u>	<u>2,563,496</u>	<u>101,553</u>	<u>2,675,463</u>
Total		<u>56,746</u>	<u>2,566,764</u>	<u>101,553</u>	<u>2,725,063</u>
Net income/(expenditure)		51,627	(58,480)	(91,377)	(98,230)
Transfers between funds		-	(22,814)	22,814	-
<b>Other recognised gains and losses</b>					
Actuarial gains / (losses) on defined benefit pension schemes	21	<u>-</u>	<u>(128,000)</u>	<u>-</u>	<u>(128,000)</u>
Net movement in funds/(deficit)		51,627	(209,294)	(68,563)	(226,230)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		<u>420,246</u>	<u>(1,038,036)</u>	<u>939,451</u>	<u>321,661</u>
Total funds/(deficit) carried forward at 31 August 2017		<u>471,873</u>	<u>(1,247,330)</u>	<u>870,888</u>	<u>95,431</u>

Comparative figures are stated on page 26.

# Lisle Marsden Church of England Primary Academy

## Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)


	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	31,254	-	65,385	96,639
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	36,484	2,429,624	-	2,466,108
Other trading activities	4	57,937	-	-	57,937
Investments	5	5,874	-	-	5,874
<b>Total</b>		<b>131,549</b>	<b>2,429,624</b>	<b>65,385</b>	<b>2,626,558</b>
<b>Expenditure on:</b>					
Raising funds	6	80,835	-	-	80,835
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	2,422,996	220,288	2,643,284
<b>Total</b>		<b>80,835</b>	<b>2,422,996</b>	<b>220,288</b>	<b>2,724,119</b>
Net income/(expenditure)		50,714	6,628	(154,903)	(97,561)
Transfers between funds		-	(122,177)	122,177	-
<b>Other recognised gains and losses</b>					
Actuarial gains / (losses) on defined benefit pension schemes	21	-	(181,000)	-	(181,000)
Net movement in funds/(deficit)		50,714	(296,549)	(32,726)	(278,561)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2015		369,532	(741,487)	972,177	600,222
Total funds/(deficit) carried forward at 31 August 2016		420,246	(1,038,036)	939,451	321,661

# Lisle Marsden Church of England Primary Academy

(Registration number: 07808707)  
Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	870,888	939,451
<b>Current assets</b>			
Debtors	12	38,743	47,423
Cash at bank and in hand		<u>637,390</u>	<u>611,178</u>
		676,133	658,601
Creditors: Amounts falling due within one year	13	<u>(103,590)</u>	<u>(148,391)</u>
Net current assets		<u>572,543</u>	<u>510,210</u>
Total assets less current liabilities		<u>1,443,431</u>	<u>1,449,661</u>
Net assets excluding pension liability		1,443,431	1,449,661
Pension scheme liability	21	<u>(1,348,000)</u>	<u>(1,128,000)</u>
Net assets including pension liability		<u>95,431</u>	<u>321,661</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		100,670	89,964
Restricted fixed asset fund		870,888	939,451
Restricted pension fund		<u>(1,348,000)</u>	<u>(1,128,000)</u>
		(376,442)	(98,585)
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>471,873</u>	<u>420,246</u>
Total funds	14	<u>95,431</u>	<u>321,661</u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 12 December 2017 and signed on their behalf by:

  
.....  
J Woolner  
Governor and trustee

# **Lisle Marsden Church of England Primary Academy**

## **Statement of Cash Flows for the Year Ended 31 August 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	42,975	17,999
Cash flows from investing activities	18	<u>(16,763)</u>	<u>(45,657)</u>
Change in cash and cash equivalents in the year		26,212	(27,658)
Cash and cash equivalents at 1 September		<u>611,178</u>	<u>638,836</u>
Cash and cash equivalents at 31 August	19	<u><u>637,390</u></u>	<u><u>611,178</u></u>

# **Lisle Marsden Church of England Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **1 Accounting policies**

#### **General information**

The Academy Trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Lisle Marsden Church of England Primary Academy  
Lansdown Avenue  
Grimsby  
N E Lincolnshire  
DN32 0DF

These financial statements were authorised for issue by the Board on 12 December 2017.

#### **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 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Lisle Marsden Church of England Primary Academy meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

#### **Going concern**

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

#### **Income**

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

## **Lisle Marsden Church of England Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### ***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.

##### ***Sponsorship income***

Sponsorship income provided to the academy trust 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 the amount can be reliably measured.

##### ***Other income***

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

##### ***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

This includes all expenditure incurred by the Academy 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's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

## **Lisle Marsden Church of England Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### **Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land	125 years straight line
Buildings	15 years straight line
Office equipment	25% - 33% straight line
Fixtures and fittings	25% - 33% straight line

##### **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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **Provisions**

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

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

##### **Leased assets**

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

##### **Long term leasehold land:**

The land is held on a 125 year lease with North East Lincolnshire Council. It was recognised as an asset on conversion and is being depreciated accordingly.



# **Lisle Marsden Church of England Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **1 Accounting policies (continued)**

#### **Financial Instruments**

The academy 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 cost. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at cost. 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.

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

#### **Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 1 Accounting policies (continued)

#### Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

#### Critical accounting estimates and areas of judgement

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

#### 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 fixed asset funds £	Total 2017 £	Total 2016 £
Educational trips and visits	38,003	-	38,003	31,254
Capital grants	-	10,176	10,176	65,385
	<u>38,003</u>	<u>10,176</u>	<u>48,179</u>	<u>96,639</u>

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 3 Funding for Academy's educational operations

	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	2,218,249	2,218,249	2,169,778
Other DfE grant	361	361	1,365
Pupil Premium	155,511	155,511	151,426
Universal Infants Free School Meals	88,347	88,347	75,091
	<u>2,462,468</u>	<u>2,462,468</u>	<u>2,397,660</u>
<b>Other government grants</b>			
Other government grants	45,816	45,816	31,964
<b>Non-government grants and other income</b>			
Other income	-	-	36,484
Total grants	<u>2,508,284</u>	<u>2,508,284</u>	<u>2,466,108</u>

### 4 Activities for generating funds

	Unrestricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	37,313	37,313	37,945
School shop sales	648	648	803
Other sales	26,360	26,360	19,189
	<u>64,321</u>	<u>64,321</u>	<u>57,937</u>

### 5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Short term deposits	6,049	6,049	5,874

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	49,600	49,600	80,835
<b>Academy's educational operations</b>					
Direct costs	1,516,822	-	139,370	1,656,192	1,604,276
Allocated support costs	525,656	259,681	233,934	1,019,271	1,039,008
	<u>2,042,478</u>	<u>259,681</u>	<u>373,304</u>	<u>2,675,463</u>	<u>2,643,284</u>
	<u>2,042,478</u>	<u>259,681</u>	<u>422,904</u>	<u>2,725,063</u>	<u>2,724,119</u>

### Net incoming/outgoing resources for the year include:

	2017 £	2016 £
<b>Operating leases:</b>		
Operating leases - other leases	2,529	3,555
Fees payable to auditor - audit	5,450	5,350
Fees payable to auditor - other audit services	2,165	1,550
Depreciation	<u>101,551</u>	<u>149,642</u>

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 7 Charitable activities

		Total 2017 £	Total 2016 £
Direct costs - educational operations		1,656,192	1,604,276
Support costs - educational operations		<u>1,019,271</u>	<u>1,039,008</u>
		<u>2,675,463</u>	<u>2,643,284</u>
	Educational operations £	Total 2017 £	Total 2016 £
<b>Analysis of support costs</b>			
Support staff costs	525,656	525,656	471,516
Depreciation	101,553	101,553	149,642
Technology costs	8,840	8,840	10,645
Premises costs	158,128	158,128	200,444
Other support costs	209,582	209,582	200,783
Governance costs	<u>15,512</u>	<u>15,512</u>	<u>5,978</u>
Total support costs	<u>1,019,271</u>	<u>1,019,271</u>	<u>1,039,008</u>

### 8 Staff costs

	2017 £	2016 £
<b>Staff costs during the year were:</b>		
Wages and salaries	1,563,574	1,527,237
Social security costs	121,924	101,045
Pension costs	356,817	291,038
Supply teacher costs	<u>163</u>	<u>21,960</u>
	<u>2,042,478</u>	<u>1,941,280</u>

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 8 Staff costs (continued)

#### Staff numbers

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

	2017 No	2016 No
<b>Charitable Activities</b>		
Teachers	25	25
Administration and support	64	68
Management	4	4
	<u>93</u>	<u>97</u>

#### Higher paid staff

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

	2017 No	2016 No
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £340,433 (2016: £362,207).

### 9 Related party transactions - trustees' remuneration and expenses

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

D Kinsey (Headteacher):

Remuneration: £70,000 - £75,000 (2016 - £65,000 - £70,000)

Employer's pension contributions: £10,000 - £15,000 (2016 - £10,000 - £15,000)

L Axcell (Staff trustee):

Remuneration: £Nil (2016 - £10,000 - £15,000)

Employer's pension contributions: £Nil (2016 - £0 - £5,000)

K Williams (Staff trustee):

Remuneration: £15,000 - £20,000 (2016 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2016 - £0 - £5,000)

T Brooks-Graves (Teacher):

Remuneration: £Nil (2016 - £15,000 - £20,000)

Employer's pension contributions: £Nil (2016 - £0 - £5,000)

## **Lisle Marsden Church of England Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **9 Related party transactions - trustees' remuneration and expenses (continued)**

A-M Jennings (Teacher):

Remuneration: £35,000 - £40,000 (2016 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £581 (2016 - £266) were reimbursed or paid directly to 1 trustees (2016 - 1).

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

#### **10 Trustees' and officers' insurance**

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

The cost of this insurance is included in the total insurance cost.

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 September 2016	1,001,292	338,710	1,340,002
Additions	<u>-</u>	<u>32,988</u>	<u>32,988</u>
At 31 August 2017	<u>1,001,292</u>	<u>371,698</u>	<u>1,372,990</u>
<b>Depreciation</b>			
At 1 September 2016	117,872	282,679	400,551
Charge for the year	<u>59,976</u>	<u>41,575</u>	<u>101,551</u>
At 31 August 2017	<u>177,848</u>	<u>324,254</u>	<u>502,102</u>
<b>Net book value</b>			
At 31 August 2017	<u>823,444</u>	<u>47,444</u>	<u>870,888</u>
At 31 August 2016	<u>883,420</u>	<u>56,031</u>	<u>939,451</u>

Included within leasehold land and buildings is £559,631 (2016: £604,520) relating to long leasehold land and buildings.

The academy also occupies land and property owned by the Diocesan Trustees. Where there is no formal lease in place, these assets are not included in the above figures, as they are held based on an informal "licence to operate" in the properties owned by the Diocese. Enhanced detail is contained in the Related Party disclosure.

### 12 Debtors

	2017 £	2016 £
Trade debtors	3,390	120
Prepayments	31,508	32,364
VAT recoverable	<u>3,845</u>	<u>14,939</u>
	<u>38,743</u>	<u>47,423</u>



# **Lisle Marsden Church of England Primary Academy**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **13 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	21,329	-
Other taxation and social security	30,878	29,162
Other creditors	379	1,679
Pension scheme creditor	35,402	33,334
Accruals	14,852	84,216
Deferred income	750	-
	<u>103,590</u>	<u>148,391</u>

	<b>2017</b>
	<b>£</b>
<b>Deferred income</b>	
Resources deferred in the period	<u>750</u>

At the balance sheet date the Academy Trust was holding funds received in advance for National Leaders of Governance of £750.

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 14 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	28,905	2,218,249	(2,143,566)	(22,814)	80,774
Other DfE grant	-	361	(361)	-	-
Universal Infants Free School Meals	53,561	88,347	(141,908)	-	-
Other government grants	842	28,516	(29,358)	-	-
Pupil premium	6,656	170,811	(157,571)	-	19,896
Other income	-	2,000	(2,000)	-	-
	<u>89,964</u>	<u>2,508,284</u>	<u>(2,474,764)</u>	<u>(22,814)</u>	<u>100,670</u>
<b>Restricted fixed asset funds</b>					
Devolved capital grant	42,543	10,176	-	-	52,719
Assets transferred from local authority	597,824	-	(59,978)	-	537,846
Capital expenditure from GAG	262,139	-	(29,103)	22,814	255,850
Donated income	27,974	-	(8,315)	-	19,659
Capital Improvement Funding	8,971	-	(4,157)	-	4,814
	<u>939,451</u>	<u>10,176</u>	<u>(101,553)</u>	<u>22,814</u>	<u>870,888</u>
<b>Restricted pension funds</b>					
Pension fund	<u>(1,128,000)</u>	<u>-</u>	<u>(92,000)</u>	<u>(128,000)</u>	<u>(1,348,000)</u>
Total restricted funds	(98,585)	2,518,460	(2,668,317)	(128,000)	(376,442)
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>420,246</u>	<u>108,373</u>	<u>(56,746)</u>	<u>-</u>	<u>471,873</u>
Total funds	<u>321,661</u>	<u>2,626,833</u>	<u>(2,725,063)</u>	<u>(128,000)</u>	<u>95,431</u>

## Lisle Marsden Church of England Primary Academy

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 14 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Universal Infants Free School Meals funding is primarily to be used to provide children with a free school meal. However, any amounts not spent on this purpose can be used for any other purpose applicable to the objectives of the academy.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year, this is included within other DfE income.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income is the value of the school transferred from the local authority on conversion.

#### 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	870,888	870,888
Current assets	471,873	204,260	-	676,133
Current liabilities	-	(103,590)	-	(103,590)
Pension scheme liability	-	(1,348,000)	-	(1,348,000)
Total net assets	<u>471,873</u>	<u>(1,247,330)</u>	<u>870,888</u>	<u>95,431</u>

#### 16 Financial commitments

##### *Operating leases*

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	1,767	2,529
Amounts due between one and five years	<u>3,201</u>	<u>3,758</u>
	<u>4,968</u>	<u>6,287</u>

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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

	2017 £	2016 £
Net expenditure	(98,230)	(97,561)
Depreciation	101,551	149,642
Capital grants from DfE and other capital income	(10,176)	(65,385)
Interest receivable	(6,049)	(5,874)
Defined benefit pension scheme cost less contributions payable	68,000	8,000
Defined benefit pension scheme finance cost	24,000	34,000
Decrease in debtors	8,680	8,074
Decrease in creditors	(44,801)	(12,897)
Net cash provided by Operating Activities	<u>42,975</u>	<u>17,999</u>

### 18 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	6,049	5,874
Purchase of tangible fixed assets	(32,988)	(116,916)
Capital funding received from sponsors and others	10,176	65,385
Net cash used in investing activities	<u>(16,763)</u>	<u>(45,657)</u>

### 19 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	<u>637,390</u>	<u>611,178</u>
Total cash and cash equivalents	<u>637,390</u>	<u>611,178</u>

### 20 Members' liability

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

## **Lisle Marsden Church of England Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **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 East Riding Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £35,402 (2016 - £33,334) were payable to the schemes at 31 August and are included within creditors.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

## **Lisle Marsden Church of England Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **21 Pension and similar obligations (continued)**

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at April 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £159,998 (2016: £156,397)

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

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

##### **Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £158,000 (2016 - £155,000), of which employer's contributions totalled £129,000 (2016 - £127,000) and employees' contributions totalled £29,000 (2016 - £28,000). The agreed contribution rates for future years are 23.3 per cent for employers and 5-7 per cent for employees.

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

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 21 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	2.60	2.30
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	<u>2.50</u>	<u>2.10</u>

#### Sensitivity analysis

	At 31 August 2017 £	At 31 August 2016 £
0.5% decrease in Real Discount Rate	335,000.00	301,000.00
0.5% increase in Salary Increase Rate	81,000.00	125,000.00
0.5% increase in the Pension Increase Rate	247,000.00	167,000.00
Mortality assumption – 1 year increase	<u>104,120.00</u>	<u>65,000.00</u>

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

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males retiring today	21.70	21.90
Females retiring today	24.20	24.10
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.70	24.20
Females retiring in 20 years	<u>26.40</u>	<u>26.70</u>

The Academy Trust's share of the assets in the scheme were:

	At 31 August 2017 £	At 31 August 2016 £
Equities	891,050	790,500
Corporate bonds	163,150	115,940
Property	138,050	115,940
Cash and other liquid assets	<u>62,750</u>	<u>31,620</u>
Total market value of assets	<u>1,255,000</u>	<u>1,054,000</u>

The actual return on scheme assets was £56,000 (2016 - £151,000).

# Lisle Marsden Church of England Primary Academy

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 21 Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	(197,000)	(135,000)
Interest income	24,000	32,000
Interest cost	<u>(48,000)</u>	<u>(66,000)</u>
Total amount recognised in the SOFA	<u>(221,000)</u>	<u>(169,000)</u>

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

	2017 £	2016 £
At start of period	2,182,000	1,663,000
Current service cost	197,000	135,000
Interest cost	48,000	66,000
Employee contributions	29,000	28,000
Actuarial (gain)/loss	160,000	300,000
Benefits paid	<u>(13,000)</u>	<u>(10,000)</u>
At 31 August	<u>2,603,000</u>	<u>2,182,000</u>

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

	2017 £	2016 £
At 1 September	1,054,000	758,000
Interest income	24,000	32,000
Actuarial gains	32,000	119,000
Employer contributions	129,000	127,000
Employee contributions	29,000	28,000
Benefits paid	<u>(13,000)</u>	<u>(10,000)</u>
At 31 August	<u>1,255,000</u>	<u>1,054,000</u>



## **Lisle Marsden Church of England Primary Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **22 Related party transactions**

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year the academy made the following related party transactions:

##### **Lisle Marsden Childcare Limited**

(D Kinsey is a director)

The Academy received £23,600 (2016: £34,835) relating to recharges of costs to run the centre and had expenditure of £545 (2016: £440) during the year. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook. At the balance sheet date the amount due to Lisle Marsden Childcare Limited was £Nil (2016 - £Nil).

##### **Lincoln Diocesan Trust**

(Related through trusteeship)

The academy received £1,520 (2016: £nil) and had expenditure of £nil (2016: £nil). In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook

The academy occupies land (including buildings) which are owned by its Trustees who are the Lincoln Diocesan Trust. The Trustees are the providers Lisle Marsden Church of England Primary Academy. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company. At the balance sheet date the amount due to Lincoln Diocesan Trust was £Nil (2016 - £Nil).

##### **Wilkin Chapman**

(K Davies is a Partner at Wilkin Chapman)

The Academy had expenditure of £504 (2016: £nil) during the year. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook. At the balance sheet date the amount due to Wilkin Chapman was £Nil (2016 - £Nil).