

Lisle Marsden Church of England Primary Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

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

WEDNESDAY



A8XPIRY9

A28

29/01/2020

#1

COMPANIES HOUSE

Lisle Marsden Church of England Primary Academy

Contents

Reference and Administrative Details	1
Trustees' Annual Report	2 to 10
Governance Statement	11 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 to 19
Independent Reporting Accountant's Assurance Report on Regularity	20 to 21
Statement of Financial Activities incorporating Income and Expenditure Account	22 to 23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 to 44

Lisle Marsden Church of England Primary Academy

Reference and Administrative Details

Members Reverend A Dodd
Lincoln Diocesan Trust
Father E Martin (resigned 15 January 2019)
J Woolner

Governors and Trustees (Directors) R Lockwood
J Woolner, Chair
D Kinsey
C Daniel
Reverend A Dodd
K Davies
Father E Martin (resigned 15 January 2019)
K Williams
R Varley
R Ahmed
C Rayner (appointed 25 November 2018)
K Watson (appointed 1 October 2018)
P Barlow (appointed 10 June 2019)

Senior Management Team D Kinsey, Headteacher
S Dodsworth, Assistant Headteacher
Y Williamson, Academy Business Manager
P Allen, Deputy Headteacher

Principal and Registered Office Lansdowne Avenue
Grimsby
N E Lincolnshire
DN32 0DF

Company Registration Number 07808707

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

Bankers The Royal Bank of Scotland
747 Attercliffe Road
Sheffield
S9 3RF

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 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 2018 there were 608 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 during the year, and to the date these accounts are approved 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 12 governors including the headteacher. All bar three 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.

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. The governing body also subscribe to a number of support and advisory services including the National Governance Association to support them in their roles.

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (continued)

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 4 times within the period covered by this report, the Finance and Audit Committee met 7 times and the Human Resources Committee met twice.

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. No member of the Senior leadership team's pay exceeds the ISR range for a group 4 School; the governing body's Pay Committee take advice annually from an independent external consultant when reviewing the headteacher's performance against annual performance management targets, and any potential increases in executive pay are visibly tied to this process.

Trade union facility time

There was no trade union time in the period.

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 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'.

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.

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (continued)

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 have had to ensure that school infrastructure is in place to facilitate the plan and re-structure teaching and staffing arrangements to effectively manage this large growth in pupil numbers. The three Foundation classes, six Key Stage 1 classes and six lower Key Stage 2 classes are now at PAN, and pupil numbers are now rising into Upper Key Stage 2. Long term sustainability to be achieved by this plan was a key objective; carefully planned growth has 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,' have been key to this objective being met. The academy was inspected by OFSTED in June 2018, and again received a 'Good' grading.

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 was necessary to ensure the academy was fully prepared for the changes; to ensure sustainability and no negative outcomes to pupil education. The academy continued to adapt its budget planning, and strategic prioritisation to effectively manage the second year of a two 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 key financial objective was to again access significant ESFA capital funding to replace the academy's failing flat roof through a successful bid to the CIF academy capital works fund. Two thirds of the academy roof was successfully replaced in 2017-2018 following a successful CIF bid, the academy wished to fully complete the works in 2018-2019 but again required the funding to do so. A subsequent successful bid in April 2019 resulted in the academy being able to complete this important project. This additional funding success ensured the academy was able to save and utilise its own capital reserves to support the raising standards in pupil attainment and other capital projects to directly benefit the children.

Increasing the amount of outdoor physical play space for pupils and the provision of high quality outdoor all weather sports facilities was also a key objective of the governing body in 2017-2018; £91,368 was successfully acquired through a one off 'Sugar Tax' CIF bid. However, the academy was unable to complete this project due to experiencing significant problems with planning permission. A key objective of the governing body in 2018-2019 was to gain the required planning permission to ensure the project could go ahead and be completed, as well as ensuring maximum public benefit following acquisition of funds. The academy successfully gained planning permission to go ahead in July 2019.

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) 2019, was a key objective for the governing body. Continuing to achieve 'outstanding pupil' outcomes by meeting this goal would provide strong evidence to the trustees that strategic changes to curriculum approach (teaching and learning in the core subjects English and Maths) are fully embedded and producing strong and sustained pupil progress across the academy. Reported National results in July 2019 showed that the academy achieved this aim, with 'all' pupils exceeding the expected standard (Key Stage 2 Achieve Expected Standard), compared to 'all' pupils nationally in all subject areas. The percentage of pupils at KS2 achieving combined scores were significantly higher than national comparative measures, as were those achieving to a higher standard (Greater Depth) in Writing, Maths and GPS.

Raising standards of attainment 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. Objectives which are to ensure 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.

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (continued)

Achieving the Primary Basic Skills Quality Mark and EYFS Basic Skills Quality Mark; Green Flag ECO Schools Award and Arts Mark, was a key teaching and learning strategic objective in 2018-2019. External accreditation and validation of high standards of teaching and learning as well as curriculum enrichment positively supports the academy's self-evaluation that it provides highly effective 'quality of education' for all its pupils.

Preparing the academy to fulfil the new requirements of the SIAMS Schedule Inspection arrangements for Church of England Schools and Academies was another key objective for governors in 2018-2019. Training for all staff and governors was a key requirement to facilitate this. Formalising the academy's 'Vision' into a 50 word statement in line with SIAMS requirements and sharing and promoting this 'vision' with all academy stakeholders was a major strategic undertaking.

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. Following comments by OFSTED in June 2018, it was important that the academy continued to evidence the positive impact of the strategic use of this additional funding. Pupil outcomes for Pupil Premium eligible pupils in July 2019 (KS2) were significantly above those attained by comparative pupils, progress levels in Writing and Maths were outstanding. Pupil Premium outcomes for EYFS pupils were also significantly higher than National comparisons.

Continuing to develop leadership capacity at all levels throughout the academy was a key element of the academy's School Development Plan for 2018-2019. 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 maintain or further improve its Good OFSTED grading.

Appointing two new Leaders of Learning to the leadership team was a key strategic undertaking, with the aim to develop and improve the academy's curriculum, and to further develop and strengthen Church School leadership.

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 17 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission for England and Wales.

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (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) continued to be above average local and national mean levels.

Outcomes for Year 1 pupils as measured by the Year 1 Phonics Check were maintained.

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

Progress levels as measured by pupil outcomes in Year 6 (2019) from their Year 2 (2015) 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 to achieve outcomes well above those of other pupil premium children in maths and writing, with the attainment gap diminished between eligible and non-eligible pupils.

Minimum government 'Floor' targets were achieved with regard to both attainment and progress in 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	+1.5	+2.0	+3.4
National	0	0	0

Aggregate Scaled Score	Reading	GPS	Maths
Lisle	105.7	109.5	108.4
National	104.4	106.3	105.1

% Expected Standard 100+	Reading	Writing	GPS	Maths
Lisle	87%	92%	92%	95%
National	73%	78%	78%	79%

% Greater Depth Standard 110+	Reading	Writing	GPS	Maths
Lisle	23%	22%	48%	38%
National	27%	20%	36%	27%

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Reading, Writing and Maths Combined Floor Target: 100+	
Lisle	83%
National	65%
Reading, Writing and Maths Combined Greater Depth: 110+	
Lisle	8%
National	10%

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

% Pupil Achieving National Expectations	Reading	Writing	Maths
Lisle	74%	72%	78%
National	75%	69%	76%

% Pupil Achieving Greater Depth Standard	Reading	Writing	Maths
Lisle	30%	10%	23%
National	25%	15%	22%

Year 1 Phonics Outcomes

Lisle pupils attaining the expected standard in the Year 1 Phonics Check – 81%

National comparison for pupils attaining the expected standard in the Year 1 Phonics Check – 82%

Early Years Foundation Stage (EYFS) Outcomes 2019

	% Pupils attaining a Good Level of Development
Lisle Marsden	75%
National Average	72%

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.

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (continued)

Strategic Report

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 Lisle Marsden Childcare Ltd.

During the period ended 31 August 2019, total expenditure of £3,343,848 was more than covered by recurrent grant funding from the ESFA together with other incoming resources and brought forward reserves. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension scheme) was a deficit of £15,886 (2018: £33,728).

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 be approximately 5% of GAG funding approx. £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 £590,385 (2018: £606,271) 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), this building plan will be funded from the academy's additional free reserves currently at £590,385.

The academy held deficit fund balances at 31 August 2019 of £512,168 (2018 surplus: £186,367) comprising £826,447 (2018: £812,096) of restricted fixed asset funds of which £753,888 can only be realised by disposing of tangible fixed assets, £123,875 (2018: £148,423) of restricted general funds, £466,510 (2018: £457,848) of unrestricted general funds and a pension reserve deficit of £1,929,000 (2018: £1,232,000).

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 2019 the academy had funds invested as follows; £150,000 as salary reserves, £25,000 sickness contingency and £371,579 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 2019 (continued)

Strategic Report

Fundraising

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

Plans for future periods

Ensure pupil attainment outcomes as measured by National assessments (2020) 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 (2020) 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.

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

Ensure the attainment of pupils within the Foundation Stage exceeds national expectations (Good Level of Development).

Key Strategic Developments:

1) Capital Works Programme

We will continue to accrue capital resources towards funding the academy's Capital Improvement Plan, with the aim of achieving re-modelling and extending an area of the academy's building, to: create additional teaching and learning space for SEND teaching and pupil intervention, extend the two smallest classrooms in KS2 and provide enhanced meeting and admin/leadership working space.

2) General Staffing Plan

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; pupil wellbeing, supporting pupils with SEND, intervention teaching plans, and support for vulnerable pupils - including pupils classed as 'disadvantaged'.

3) Leadership and Management

We will continue to develop the effectiveness of the academy Senior Leadership team in close partnership with the governing body. We will continue to strengthen partnerships with the Diocese, local Teaching School and other educational establishments. Further development of the Leader of Learning team will focus on determining, developing and leading a new curriculum for all pupils at Lisle Marsden, as well as further developing Church School Leadership in line with SIAMS requirements.

We will continue to strengthen middle leadership at all levels through NPQ and NASBM qualification routes for staff.

Considering the new Curriculum requirements of the OFSTED Framework September 2019, we will again review subject leadership across the academy and revise the subject leadership structure to secure maximum impact on the quality of education provided for pupils.

4) Teaching, Learning and Curriculum

We will continue to ensure that the academy fulfils the new requirements of the SIAMS Schedule (April 2019) and will work towards successfully achieving a 'Good' or 'Excellent' outcome in the 2019-2020 inspection cycle.

Lisle Marsden Church of England Primary Academy

Trustees' Annual Report for the Year Ended 31 August 2019 (continued)

Strategic Report

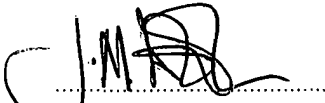
We will fully evaluate Lisle Marsden's Curriculum Intent and revise the academy's curriculum in line with the new OFSTED Framework (September 2019) - EYFS and KS1 & KS2, to ensure the quality of education being implemented by the academy has measurable positive impact on all learners. We will provide support and training for all teachers to enable them to fully and effectively implement the new curriculum in readiness for September 2020.

Auditor

Insofar 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' Annual report, incorporating the directors' report and strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 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:

Trustee	Meetings attended	Out of a possible
Reverend A Dodd	2	3
C Daniel	3	3
J Woolner	3	3
D Kinsey	3	3
R Lockwood	1	3
R Ahmed	2	3
C Rayner	2	3
R Varley	2	3
K Davies	3	3
Father E Martin	0	1
K Williams	3	3
K Watson	2	3
P Barlow	0	0

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.

Lisle Marsden Church of England Primary Academy

Governance Statement (continued)

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:

Trustee	Meetings attended	Out of a possible
J Woolher	5	7
D Kinsey	6	7
Reverend A Dodd	1	7
C Daniel	6	7
R Ahmed	0	7
C Rayner	0	7
R Lockwood	6	7
R Varley	4	7
K Davies	3	7
K Williams	0	7
Father E Martin	0	7
K Watson	0	6
P Barlow	0	1

Effective oversight of funds

Monthly management accounts information has been provided to all trustees who are then given the opportunity to raise any queries.

Lisle Marsden Church of England Primary Academy

Governance Statement (continued)

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 trusts 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 two classrooms, associated cloakrooms and toilets and a small additional learning room. The academy has successfully filled these additional places for five successive years and is running at maximum pupil numbers in Foundation Stage and Key Stage 1, Year 3, Year 4 and Year 5. All Year groups are 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 2018-2019 as the attainment between disadvantaged and non-disadvantaged children was effectively 'diminished' in Maths and Writing (end of Key stage 2 test outcomes). The academy invests a significant proportion of GAG funding to support the educational development and progress of high level need pupils many with SEND. Progress levels for pupils with identified SEND were outstanding as measured by 2019 national test outcomes. Outcomes which represent excellent value for money with regards to how that academy has strategically prioritised the allocation of these funds.

- During the year we completed a procurement exercise for the following projects, resurfacing of an area of playground, purchase of fixed gym equipment and decorating of a specific area of the school. As all of these projects were over £5,000 we obtained 3 quotations as per our financial procedures and selected the supplier based on value for money and price.

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. Lisle Marsden is in the top 20% of schools nationally using comparative data equating to the academy outperforming 80%+ of schools with regard to attaining best value with the financial resources at its disposal.

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

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 2019 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 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Lisle Marsden Church of England Primary Academy

Governance Statement (continued)

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 the external auditor to perform additional checks.

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

- testing of fixed assets
- testing of high level controls
- review of VAT and Corporation tax
- review of procedures and documentation

After each review, the internal reviewer 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.

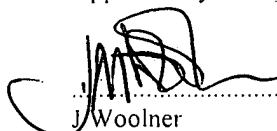
Review of effectiveness

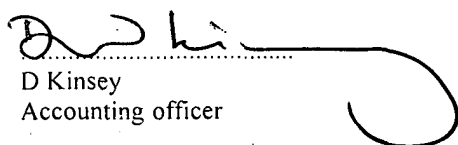
As Accounting Officer, D Kinsey has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 11 December 2019 and signed on its behalf by:


J Woolner
Governor


D Kinsey
Accounting officer

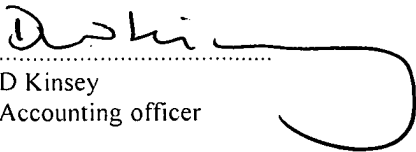
Lisle Marsden Church of England Primary Academy

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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


D Kinsey
Accounting officer

11 December 2019

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 & 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:

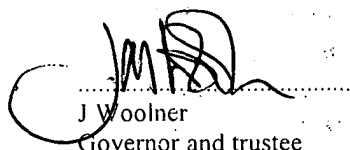
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 11 December 2019 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 2019, 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 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education 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, other than the financial statements and our auditor's report thereon. Other information includes trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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)

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 and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Strategic Report and the Directors' 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 directors' 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 16], the Trustees (who are also the directors of the Academy Trust 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.

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

Use of our report

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.

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)**

Forrester Boyd

Carrie Anne Jensen ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

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

11 December 2019

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 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lisle Marsden Church of England Primary Academy during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Forrester Boyd

Carrie Anne Jensen ACA (Reporting Accountant)
For and on behalf of Forrester Boyd, Statutory Auditor

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

11 December 2019

Lisle Marsden Church of England Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	39,125	-	417,879	457,004
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,641,808	-	2,641,808
Other trading activities	4	82,906	-	-	82,906
Investments	5	6,595	-	-	6,595
Total		128,626	2,641,808	417,879	3,188,313
Expenditure on:					
Raising funds	6	39,456	2,925	-	42,381
<i>Charitable activities:</i>					
Academy trust educational operations	7	40	2,802,886	498,541	3,301,467
Total		39,496	2,805,811	498,541	3,343,848
Net income/(expenditure)		89,130	(164,003)	(80,662)	(155,535)
Transfers between funds		(80,468)	(14,545)	95,013	-
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	21	-	(543,000)	-	(543,000)
Net movement in funds/(deficit)		8,662	(721,548)	14,351	(698,535)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		457,848	(1,083,577)	812,096	186,367
Total funds/(deficit) carried forward at 31 August 2019		466,510	(1,805,125)	826,447	(512,168)

Comparative figures are stated on page 23.

Lisle Marsden Church of England Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	36,121	-	551,982	588,103
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,557,675	-	2,557,675
Other trading activities	4	70,041	-	-	70,041
Investments	5	5,106	-	-	5,106
Total		<u>111,268</u>	<u>2,557,675</u>	<u>551,982</u>	<u>3,220,925</u>
Expenditure on:					
Raising funds	6	25,403	25,053	-	50,456
<i>Charitable activities:</i>					
Academy trust educational operations	7	99,890	2,616,390	628,253	3,344,533
Total		<u>125,293</u>	<u>2,641,443</u>	<u>628,253</u>	<u>3,394,989</u>
Net expenditure		(14,025)	(83,768)	(76,271)	(174,064)
Transfers between funds		-	(17,479)	17,479	-
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	21	-	265,000	-	265,000
Net movement in (deficit)/funds		(14,025)	163,753	(58,792)	90,936
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>471,873</u>	<u>(1,247,330)</u>	<u>870,888</u>	<u>95,431</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>457,848</u>	<u>(1,083,577)</u>	<u>812,096</u>	<u>186,367</u>

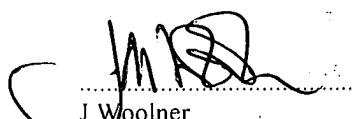
Lisle Marsden Church of England Primary Academy

(Registration number: 07808707)

Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	753,888	812,096
Current assets			
Debtors	12	118,624	311,448
Cash at bank and in hand		<u>774,571</u>	<u>534,829</u>
		893,195	846,277
Creditors: Amounts falling due within one year	13	<u>(230,251)</u>	<u>(240,006)</u>
Net current assets		<u>662,944</u>	<u>606,271</u>
Total assets less current liabilities		<u>1,416,832</u>	<u>1,418,367</u>
Net assets excluding pension liability		1,416,832	1,418,367
Pension scheme liability	21	<u>(1,929,000)</u>	<u>(1,232,000)</u>
Net (liabilities)/assets including pension liability		<u><u>(512,168)</u></u>	<u><u>186,367</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		123,875	148,423
Restricted fixed asset fund		826,447	812,096
Restricted pension fund		<u>(1,929,000)</u>	<u>(1,232,000)</u>
		(978,678)	(271,481)
Unrestricted funds			
Unrestricted general fund		<u>466,510</u>	<u>457,848</u>
Total funds	14	<u><u>(512,168)</u></u>	<u><u>186,367</u></u>

The financial statements on pages 22 to 44 were approved by the Trustees, and authorised for issue on 11 December 2019 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	17	(154,322)	(613,989)
Cash flows from investing activities	18	<u>394,064</u>	<u>511,428</u>
Change in cash and cash equivalents in the year		239,742	(102,561)
Cash and cash equivalents at 1 September		<u>534,829</u>	<u>637,390</u>
Cash and cash equivalents at 31 August	19	<u><u>774,571</u></u>	<u><u>534,829</u></u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019

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 11 December 2019.

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 2018 to 2019 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.

The financial statements cover the individual entity, Lisle Marsden Church of England Primary Academy.

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 2019 (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 spent on capital projects in line with the terms and conditions of the grant. 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 2019 (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.

Asset class	Depreciation method and rate
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.

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.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at transaction price less any provision for impairment. 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 transaction price. 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.

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Taxation

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

Accordingly, the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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.

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Educational trips and visits	39,125	-	39,125	36,121
Capital grants	-	417,879	417,879	543,064
Other donations	-	-	-	8,918
	<u>39,125</u>	<u>417,879</u>	<u>457,004</u>	<u>588,103</u>

3 Funding for Academy's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	2,229,490	2,229,490	2,210,601
Other DfE grant	47,505	47,505	27,934
Pupil Premium	195,407	195,407	164,641
Universal Infants Free School Meals	89,655	89,655	82,703
	<u>2,562,057</u>	<u>2,562,057</u>	<u>2,485,879</u>
Other government grants			
Local Authority grants	79,151	79,151	71,796
Non-government grants and other income			
Other income	600	600	-
Total grants	<u>2,641,808</u>	<u>2,641,808</u>	<u>2,557,675</u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Activities for generating funds

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	33,140	33,140	35,039
Other sales	49,766	49,766	35,002
	<u>82,906</u>	<u>82,906</u>	<u>70,041</u>

5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	<u>6,595</u>	<u>6,595</u>	<u>5,106</u>

6 Expenditure

	Non Pay Expenditure			2018/19 Total £	2017/18 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	-	-	42,381	42,381	50,456
Academy's educational operations					
Direct costs	1,651,291	-	139,200	1,790,491	1,760,595
Allocated support costs	<u>597,070</u>	<u>636,707</u>	<u>277,199</u>	<u>1,510,976</u>	<u>1,583,938</u>
	<u>2,248,361</u>	<u>636,707</u>	<u>458,780</u>	<u>3,343,848</u>	<u>3,394,989</u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating leases - other leases	1,767	1,767
Fees payable to auditor - audit	5,700	5,625
Fees payable to auditor - other services	3,100	3,185
Depreciation	<u>88,618</u>	<u>95,534</u>

7 Charitable activities

	2018/19 £	2017/18 £
Direct costs - educational operations	1,790,491	1,760,595
Support costs - educational operations	<u>1,510,976</u>	<u>1,583,938</u>
	<u>3,301,467</u>	<u>3,344,533</u>

	Educational operations £	2018/19 Total £	2017/18 Total £
Analysis of support costs			
Support staff costs	597,070	597,070	566,748
Depreciation	88,618	88,618	95,534
Technology costs	24,103	24,103	25,753
Premises costs	548,089	548,089	662,549
Other support costs	239,508	239,508	219,550
Governance costs	<u>13,588</u>	<u>13,588</u>	<u>13,804</u>
Total support costs	<u>1,510,976</u>	<u>1,510,976</u>	<u>1,583,938</u>

8 Staff costs

Staff costs

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	1,687,174	1,639,130
Social security costs	130,240	127,170
Pension costs	<u>418,519</u>	<u>406,704</u>
	2,235,933	2,173,004
Agency staff costs	12,066	18,211
Staff restructuring costs	<u>362</u>	<u>-</u>
	<u>2,248,361</u>	<u>2,191,215</u>

Staff restructuring costs comprise:

Redundancy payments	<u>362</u>
---------------------	------------

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff costs (continued)

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	24	24
Administration and support	61	63
Management	4	4
	89	91

Higher paid staff

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

	2019 No	2018 No
£70,001 - £80,000	1	1

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the Academy Trust was £367,051 (2018: £355,254).

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

D Kinsey (Headteacher):

Remuneration: £75,000 - £80,000 (2018 - £70,000 - £75,000)
Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

K Williams (Teaching Assistant):

Remuneration: £15,000 - £20,000 (2018 - £15,000 - £20,000)
Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

K Watson (Teacher):

Remuneration: £40,000 - £45,000 (2018 -)
Employer's pension contributions: £5,000 - £10,000 (2018 -)

A-M Wilson (Teacher):

Remuneration: (2018 - £40,000 - £45,000)
Employer's pension contributions: (2018 - £5,000 - £10,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £1,652 (2018 - £649) were reimbursed or paid directly to 3 trustees (2018 - 1).

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

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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.

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2018	1,001,292	408,440	1,409,732
Additions	11,924	18,486	30,410
Disposals	-	(14,005)	(14,005)
At 31 August 2019	<u>1,013,216</u>	<u>412,921</u>	<u>1,426,137</u>
Depreciation			
At 1 September 2018	237,826	359,810	597,636
Charge for the year	59,978	28,640	88,618
Eliminated on disposals	-	(14,005)	(14,005)
At 31 August 2019	<u>297,804</u>	<u>374,445</u>	<u>672,249</u>
Net book value			
At 31 August 2019	<u>715,412</u>	<u>38,476</u>	<u>753,888</u>
At 31 August 2018	<u>763,466</u>	<u>48,630</u>	<u>812,096</u>

Included within leasehold land and buildings is £469,002 (2018: £503,675) 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

	2019 £	2018 £
Trade debtors	9,116	1,220
Prepayments	10,934	8,661
Accrued grant and other income	74,752	226,895
VAT recoverable	23,822	74,672
	<u>118,624</u>	<u>311,448</u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,698	9,770
Other taxation and social security	31,721	30,760
Other creditors	249	386
Pension scheme creditor	36,352	34,812
Accruals	148,231	164,278
	<u>230,251</u>	<u>240,006</u>

14 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	139,424	2,229,490	(2,263,688)	-	105,226
Other DfE grant	-	47,505	(28,800)	(14,545)	4,160
Universal Infants Free School Meals	-	89,655	(89,655)	-	-
Other government grants	-	68,351	(68,351)	-	-
Pupil premium	8,999	206,207	(200,717)	-	14,489
Other income	-	600	(600)	-	-
	<u>148,423</u>	<u>2,641,808</u>	<u>(2,651,811)</u>	<u>(14,545)</u>	<u>123,875</u>
Restricted fixed asset funds					
Devolved capital grant	63,064	31,685	(10,152)	-	84,597
Assets transferred from local authority	477,868	-	(59,978)	-	417,890
Capital expenditure from GAG	232,072	-	(25,452)	-	206,620
Donated income	18,124	-	(1,988)	-	16,136
Capital expenditure from pupil premium	17,479	-	-	-	17,479
Capital Improvement Funding	3,489	386,194	(399,771)	80,468	70,380
Capital income from other DfE grants	-	-	(1,200)	14,545	13,345
	<u>812,096</u>	<u>417,879</u>	<u>(498,541)</u>	<u>95,013</u>	<u>826,447</u>
Restricted pension funds					
Pension fund	(1,232,000)	-	(154,000)	(543,000)	(1,929,000)
Total restricted funds	(271,481)	3,059,687	(3,304,352)	(462,532)	(978,678)
Unrestricted funds					
Unrestricted general funds	457,848	128,626	(39,496)	(80,468)	466,510
Total funds	<u>186,367</u>	<u>3,188,313</u>	<u>(3,343,848)</u>	<u>(543,000)</u>	<u>(512,168)</u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	80,774	2,238,535	(2,179,885)	-	139,424
Universal Infants Free School Meals	-	82,703	(82,703)	-	-
Other government grants	-	55,506	(55,506)	-	-
Pupil premium	19,896	180,181	(173,599)	(17,479)	8,999
Other income	-	750	(750)	-	-
	<u>100,670</u>	<u>2,557,675</u>	<u>(2,492,443)</u>	<u>(17,479)</u>	<u>148,423</u>
Restricted fixed asset funds					
Devolved capital grant	52,719	10,345	-	-	63,064
Assets transferred from local authority	537,846	-	(59,978)	-	477,868
Capital expenditure from GAG	255,850	-	(23,778)	-	232,072
Donated income	19,659	8,918	(10,453)	-	18,124
Capital expenditure from pupil premium	-	-	-	17,479	17,479
Capital Improvement Funding	<u>4,814</u>	<u>532,719</u>	<u>(534,044)</u>	<u>-</u>	<u>3,489</u>
	870,888	551,982	(628,253)	17,479	812,096
Restricted pension funds					
Pension fund	<u>(1,348,000)</u>	-	<u>(149,000)</u>	<u>265,000</u>	<u>(1,232,000)</u>
Total restricted funds	(376,442)	3,109,657	(3,269,696)	265,000	(271,481)
Unrestricted funds					
Unrestricted general funds	<u>471,873</u>	<u>111,268</u>	<u>(125,293)</u>	<u>-</u>	<u>457,848</u>
Total funds	<u><u>95,431</u></u>	<u><u>3,220,925</u></u>	<u><u>(3,394,989)</u></u>	<u><u>265,000</u></u>	<u><u>186,367</u></u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (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

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	753,888	753,888
Current assets	466,510	315,799	110,886	893,195
Current liabilities	-	(191,924)	(38,327)	(230,251)
Pension scheme liability	-	(1,929,000)	-	(1,929,000)
Total net assets	<u>466,510</u>	<u>(1,805,125)</u>	<u>826,447</u>	<u>(512,168)</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	812,096	812,096
Current assets	457,848	388,429	-	846,277
Current liabilities	-	(240,006)	-	(240,006)
Pension scheme liability	-	(1,232,000)	-	(1,232,000)
Total net assets	<u>457,848</u>	<u>(1,083,577)</u>	<u>812,096</u>	<u>186,367</u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Financial commitments

Operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	1,767	1,767
Amounts due between one and five years	1,295	1,434
	<u>3,062</u>	<u>3,201</u>

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

	2019 £	2018 £
Net expenditure	(155,535)	(174,064)
Depreciation	88,618	95,534
Capital grants from DfE and other capital income	(417,879)	(543,064)
Interest receivable	(6,595)	(5,106)
Defined benefit pension scheme cost less contributions payable	118,000	114,000
Defined benefit pension scheme finance cost	36,000	35,000
Decrease/(increase) in debtors	192,824	(272,705)
(Decrease)/increase in creditors	(9,755)	136,416
Net cash used in Operating Activities	<u>(154,322)</u>	<u>(613,989)</u>

18 Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	6,595	5,106
Purchase of tangible fixed assets	(30,410)	(36,742)
Capital funding received	417,879	543,064
Net cash provided by investing activities	<u>394,064</u>	<u>511,428</u>

19 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	774,571	534,829
Total cash and cash equivalents	<u>774,571</u>	<u>534,829</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 2019 (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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £36,352 (2018 - £34,812) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.6% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving notional past service deficit of £22,000 million
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The employer's pension costs paid to TPS in the period amounted to £91,343 (2018: £98,075).

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

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

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

Scheme Changes

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

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £174,000 (2018 - £161,000), of which employer's contributions totalled £138,000 (2018 - £129,000) and employees' contributions totalled £36,000 (2018 - £32,000). The agreed contribution rates for future years are 21.3 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 2019 (continued)

21 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>1.80</u>	<u>2.80</u>

Sensitivity analysis

	2019 £	2018 £
0.5% decrease in Real Discount Rate	487,000.00	356,000.00
0.5% increase in Salary Increase Rate	91,000.00	77,000.00
0.5% increase in the Pension Increase Rate	384,000.00	273,000.00
Mortality assumption – 1 year increase	<u>145,400.00</u>	<u>108,720.00</u>

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

	2019	2018
Retiring today		
Males retiring today	20.80	21.70
Females retiring today	23.30	24.20
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	<u>24.90</u>	<u>26.40</u>

The academy trust's share of the assets in the scheme were:

	2019 £	2018 £
Equities	1,211,260	1,069,920
Corporate bonds	255,900	193,180
Property	187,660	178,320
Cash and other liquid assets	<u>51,180</u>	<u>44,580</u>
Total market value of assets	<u>1,706,000</u>	<u>1,486,000</u>

The actual return on scheme assets was £69,000 (2018 - £89,000).

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Current service cost	(246,000)	(243,000)
Past service cost	(10,000)	-
Interest income	44,000	33,000
Interest cost	(80,000)	(68,000)
Total amount recognised in the SOFA	<u>(292,000)</u>	<u>(278,000)</u>

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

	2018/19 £	2017/18 £
At start of period	2,718,000	2,603,000
Current service cost	246,000	243,000
Interest cost	80,000	68,000
Employee contributions	36,000	32,000
Actuarial (gain)/loss	568,000	(209,000)
Benefits paid	(23,000)	(19,000)
Past service cost	10,000	-
At 31 August	<u>3,635,000</u>	<u>2,718,000</u>

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

	2018/19 £	2017/18 £
At start of period	1,486,000	1,255,000
Interest income	44,000	33,000
Actuarial gain/(loss)	25,000	56,000
Employer contributions	138,000	129,000
Employee contributions	36,000	32,000
Benefits paid	(23,000)	(19,000)
At 31 August	<u>1,706,000</u>	<u>1,486,000</u>

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (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.

Expenditure related party transactions

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

Lisle Marsden Childcare Limited

(D Kinsey is a director)

The academy had expenditure of £17 (2018: £7) during the year.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Lisle Marsden Childcare Limited was £Nil (2018 - £Nil).

Lincoln Diocesan Trust

(Related through trusteeship)

The Academy had expenditure of £2,900 (2018: £2,760).

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 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 will not be recognised on the balance sheet of the company.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

The element above £2,500 has been provided 'at no more than cost' and Lincoln Diocesan Trust has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Lincoln Diocesan Trust was £Nil (2018 - £Nil).

Wilkin Chapman

(K Davies is a Partner at Wilkin Chapman)

The Academy had expenditure of £1,680 (2018: £2,180) during the year.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Wilkin Chapman was £Nil (2018 - £Nil).

L Williamson

L Williamson, daughter of Y Williamson, Academy Business Manager, was employed by the academy trust as a Admin Officer on a casual contract. L Williamson's appointment was made in open competition and Y Williamson was not involved in the decision making process regarding appointment. L Williamson is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the Academy Business Manager.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to L Williamson was £Nil (2018 - £Nil).

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Related party transactions (continued)

Income related party transactions

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

Lisle Marsden Childcare Limited

(D Kinsey is a director)

The academy received £31,256 (2018: £27,664) relating to recharges of costs to run the centre. At the balance sheet date the amount due to the academy from Lisle Marsden Childcare Limited was £4,865 (2018: £726).

Lincoln Diocesan Trust

(Related through Trusteeship.)

The Academy received £5,330 (2018: £1,139) from Lincoln Diocesan Trust. At the balance sheet date the amount due from the Lincoln Diocesan Trust was £nil (2018: £nil).