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Company Registration Number: 08217604 (England and Wales)

ROBERT BAKEWELL PRIMARY SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



ROBERT BAKEWELL PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Keith Thomas (resigned 31 August 2018) David Freer Donna Sherratt
Trustees	Jon Bishop, Headteacher Donna Alexander Joanne Barber Steven Brown David Freer John Hardwick (resigned 30 November 2017) Sujan Sharma (resigned 31 August 2018) Agnieszka Stefaniak (resigned 31 August 2018) Donna Sherratt, Chair of Trustees Keith Thomas (resigned 31 August 2018) Martha Worsching (resigned 28 November 2017) Victoria Freer Andrew Reed (appointed 11 June 2018)
Company registration number	08217604
Company name	Robert Bakewell Primary School
Principal and registered office	Barsby Drive Loughborough Leicestershire LE11 5UJ
Senior management team	Jon Bishop, Headteacher Anne Gillon, Deputy Headteacher (appointed 1 January 2018) Phil Simmons, Deputy Headteacher (retired 31 December 2017) Clare Rushby, KS2 lead (appointed 9 April 2018) Katie Hayden, KS1 lead (appointed 9 April 2018) Sital Odedra, EYFS lead (appointed 9 April 2018)
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
Bankers	Natwest Bank Market Place Loughborough Leicestershire LE11 3NZ
Solicitors	Leicestershire County Council Legal Services County Hall Glenfield Leicester LE3 8RA

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving the Dishley catchment area in Loughborough. It has a pupil capacity of 390 and had a roll of 340 in the school census in Spring 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees act as the Trustees for the charitable activities of Robert Bakewell Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Robert Bakewell Primary School.

Details of the Trustees who served during the year 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 charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

• **Trustees' indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £3,000,000 and in the year of review the sum of £264 was paid in premiums (2017: £397).

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

The Articles outline the different types of Governor; each category has slightly differing election processes, as outlined below:

- The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher or any post which is held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.
- Up to six parent Trustees shall be elected by parents of registered pupils at the Academy. A parent Governor must be a parent of a pupil at the Academy at the time when he or she is elected.
- Up to four staff Trustees shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). If a staff Governor ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy. Any election of a staff Governor which is contested shall be held by secret ballot.

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TRUSTEES' REPORT (continued)
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- The Trustees may appoint co-opted Trustees. A 'co-opted Governor' means a person who is appointed to be a Governor by being co-opted by Trustees who have not themselves been so appointed. Trustees are subject to retirement or re-election at the end of their four year term of office unless the eligibility conditions listed above prevail.

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

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

All Trustees are offered induction training and are expected, as part of their code of conduct, to undertake further training to increase their skills and knowledge.

• **Organisational structure**

The structure of the Academy consists of two senior levels: the Board of Directors (Governing Body) and the Headteacher leading the Senior and Middle Leadership Team.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the Academy's policies, adopting the Academy improvement plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

The Headteacher and senior leadership team control the Academy at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established two subcommittees. Each subcommittee has its own terms of reference detailing the responsibilities discharged to the subcommittee, to the Headteacher (who is the accounting officer) and to the senior leadership team. There is also a further committee, which meet as and when required. This additional committee also has terms of reference.

The terms of reference and meeting frequency for each subcommittee is reviewed and approved by the Board of Directors annually. The Academy has an approved Financial Handbook which details the Academy's authorised spending limits.

The sub committees of the Board of Trustees are:

- Leadership and Management Committee (responsible for staffing, finance and premises)
- Teaching and Learning Committee (responsible for curriculum, standards, safeguarding)

The other committee is:

- The Appeals Committee

When considered necessary, additional working parties of Trustees are formed (for example building projects, pupil premium, sports premium etc)

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

- **Pay policy for key management personnel**

The Academy follows national teachers' pay and conditions and set pay in line with national pay deals and any increases following performance reviews. Support staff salaries are set in line with local government pay scales.

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

The Academy is connected to eight other academies, as part of a loose collaboration group of Academies called the Loughborough Primary School Partnership. These schools are:

- Cobden School
- Hathern School
- Holywell School
- Loughborough CE School
- Mountfields Lodge School
- Outwoods Edge School
- Rendell School
- Stonebow School

During the year the Academy engaged in transactions with the above as follows:

- Monthly meetings of Headteachers;
- Regular meetings of School Business Managers, Site Managers, EYFS practitioners, English and Maths Co-ordinators, Chairs of Trustees;
- Shared moderation, monitoring and evaluation activities.
- A shared project for Gifted and Talented children;
- Links with school in Bristol, Birmingham and Devon as part of a self-evaluation project.

OBJECTIVES AND ACTIVITIES

- **Objects and aims**

The principal object and activity of the charitable company is the operation of Robert Bakewell School to provide education for pupils of different abilities between the ages of 4 and 11.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, and that the curriculum should comply with the substance of the national curriculum.

- **Objectives, strategies and activities**

The main objectives of the Academy during the period ended 31 August 2018 are summarised below:

Improve leadership and management by ensuring that:

L1: Leaders monitor the quality of teaching and learning and follow up identified priorities and weaknesses swiftly;

L2: All subject leaders monitor and evaluate the impact of their actions accurately to ensure that outcomes for pupils improve;

L3: Leaders evaluate assessment information rigorously, sharing it with teachers to support improvements in pupil achievement.

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Improve the quality of learning and teaching, particularly in key stages 1 and 2, to improve progress and attainment by ensuring that all teachers:

T1: Use increasingly secure subject knowledge to set work that is consistently well matched to all pupils' abilities, so that they can develop their skills, knowledge and understanding, particularly in mathematics;

T2: Have high expectations for all pupils, particularly the most able, by providing activities that consistently challenge them so that they can develop their skills quickly, especially in reading and mathematics;

T3: Use questioning skills effectively to deepen pupils' understanding so that they make greater progress, particularly in mathematics and reading;

T4: Check pupils' understanding during lessons so that pupils make good progress across a range of subjects.

Improve pupils' personal development, behaviour and welfare by:

PBW1: Ensuring that pupils' attendance improves so that it is at least in line with national averages.

● **Public benefit**

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Academy's public benefit is enshrined in its charitable objects, which state that the object of the Academy is: 'to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Academy offering a broad and balanced curriculum.'

STRATEGIC REPORT

● **Achievements and performance**

Early Years Foundation Stage:

Good level of development: 80%

Year one phonic screening check:

91% pass.

Key stage one results summary:

Y2 attainment	Percentage of pupils reaching the expected standard	Percentage of pupils working at greater depth
Reading	84%	25%
Writing	75%	18%
Mathematics	84%	19%

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TRUSTEES' REPORT (continued)
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Key Stage Two results summary:

Y6	Percentage of pupils reaching the expected standard	Percentage of pupils working at greater depth
Reading Test	62%	21%
Writing Teacher Assessment	77%	21%
EGPS test	69%	31%
Maths Test	74%	21%

- Results in EYFS have continued to rise over five years and are now above the national average.
- Phonic check results are above national averages.
- KS1 results have risen this year compared to the dip last year. The school was also externally moderated this year in Key Stage one, which confirmed these judgments.
- KS2 have maintained improvement over the past 2 years, particularly at greater depth.
- **Key performance indicators**
 - The early years foundation stage is graded as 'outstanding' by Ofsted. Pupils' behaviour, welfare and personal development is graded as good. Although the school's overall Ofsted grade is RI, significant changes have been made and we expect to be graded as 'good' overall at our next Ofsted inspection.
 - An HMI visit in June 2017 confirmed that we are on track to move to good at our next Ofsted inspection.
 - Significant changes during the 2017/18 academic year included: The appointment of a new Headteacher, Deputy Headteacher; a Restructure of the leadership teams and support staff; changes to the self evaluation in school improvement plan system; a new assessment system for recording and monitoring in-year tracking; and significant new streamlined systems and processes throughout the school.
 - The school is growing. There are currently 345 pupils on roll, 334 last year and 314 two years ago.
 - The school's foundation stage scores are above national averages, despite children entering school with scores below or well below national averages. They have risen every year for five years.
 - The school's phonic check scores are above national averages;
 - KS1 results are higher this year, with progress from end of EYFS – end of KS1 is good.
 - KS2 results have maintained the standard from last year, with improvement at greater depth. Results for writing and maths are in line with the national average, but there is more to do in reading.
 - Parent questionnaires express very good levels of approval of the school's work. In a survey, over 90% of parents agreed with the statements 'my child is making good progress at school', 'my child is taught well at this school' and 'my child enjoys coming to this school'
 - Children's views of the school (found through pupil discussions conducted by Trustees and other managers) are overwhelmingly positive.

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- **Going concern**

After making appropriate enquiries, the Board of Trustees 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 accounting policies note of the financial statements.

FINANCIAL REVIEW

- **Financial review**

The Academy had a net increase in funds for the year ended 31 August 2018 of £99,515, including fixed assets movements but excluding pension reserve movements. As at 31 August 2018 the Academy held £80,568 of unrestricted reserves plus £355,202 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £435,770.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £385,000 at 31 August 2018 and a fixed asset reserve of £3,376,809 being the book value of past purchases.

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

- **Reserves policy**

The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant, should be a minimum of £150,000 to £250,000, including approximately £50,000 as a capital reserve to guard against unexpected buildings costs and premises development. The amount of reserves required shall be reviewed and determined annually as part of the budget setting process and in line with the Academy improvement plan.

Actual free reserves plus unspent GAG as at 31 August 2018 were £435,770 being in excess of the target level set by the Trustees by approximately £185,000. Funds in excess of target will be invested in developing and maintaining the school site, both internally and externally, with assistance from any capital grants such as Devolved Formula Capital and Condition Improvement Funding. During the academic year 2018-19, the academy is also considering the following possibilities: extending our early years' building to accommodate the Year 2 classrooms currently utilising the mobile classroom; developing the early years' playground; refurbishment of the school's halls, meeting room, staff working areas and offices in the main building; creating a farmyard; and extending the car park.

Total available reserves at 31 August 2018 were £435,770. Cash at bank at 31 August 2018 was £41,880 higher than total available reserves due principally to PAYE/NI and pension costs for August 2018 being paid over in September 2018 and Universal Infant Free School Meals income received in advance of 2018/19.

At 31 August 2018 the Academy's fixed asset reserve of £3,376,809 represented funds which could only be realised if the assets were sold.

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The only reserve in deficit at the year end was the pension reserve (deficit of £385,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

- **Investments policy**

The Academy currently does not have any investments.

- **Principal risks and uncertainties**

Based on the strategic plan, the finance committee undertakes a comprehensive review of the risks to which the Academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the finance committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

A risk register, covering low, medium and high level risks, is maintained at Academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. **Government funding**

The Academy has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships various funding bodies;
- Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the Academy budget process.

2. **Maintain adequate funding of pension liabilities**

The financial statements report the share of the local government pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

The LGPS pension scheme deficit shown in the account as at 31 August 2018 was £385,000 (2017: £412,000). 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. The Academy's cash flow and future annual pension costs will be affected by changes in contribution rates as informed by the actuary.

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TRUSTEES' REPORT (continued)
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The Academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

3. Pupil Strategy

The Academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the Academy delivers high quality education;
- maintaining good success rates and good inspection outcomes;
- investing in its teaching staff and resources;
- maintaining good relationships with parents and the community;
- liaising with the Local Authority on numbers of prospective pupils who have been born in the Academy's catchment area.

This places the Academy in an excellent position to continue to grow.

• **Fundraising**

Fundraising has been limited to small events held to raise funds for external charities, such as non-uniform days. These funds are paid across in full to the nominated charities. During this accounts period, we supported Guide Dogs for the Blind, Children in Need, Christmas Jumper Day and Sports Relief. We also collected and crushed aluminium cans for recycling to raise money on behalf of Water Aid.

The school has a connected charity, The Robert Bakewell Parents and Friends Association which was established for the purpose of supporting the school in a manner determined by its own independent board. These funds are under the control of this independent board, not the academy. In line with the Academies Accounts Direction 2017 to 2018 (SORP 2015) some summary details of this charity's activities are included in note 22 to the financial statements.

PLANS FOR FUTURE PERIODS

• **Future developments**

The Academy is seeking to exploit the opportunities afforded by conversion to Academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also, importantly, to improve the school estate. In 2015, we had a substantial extension to our school building, in the form of a four-classroom unit. This is to accommodate larger numbers of pupils and the school's capacity will be 420.

Funds held as custodian

No funds are held on behalf of others.

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all 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.

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TRUSTEES' REPORT (continued)
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Auditors

Following audit tender presentations it was decided that a new company of auditors be appointed for the three year period from September 2018. The designated Trustees will propose a motion to appoint Haines Watts Leicester LLP at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 10 December 2018 and signed on its behalf by:



Donna Sherratt
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Robert Bakewell Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The governance framework of the Academy is as follows:

Three Members: Chair, Vice Chair and Chair of Finance Committee. These are also three member appointed Trustees as below:

- Six member appointed Trustees
- Four parent Trustees
- Four staff Trustees (including the Headteacher)

The subcommittees of the Board of Trustees are:

- Leadership and Management Committee
- Teaching and Learning Committee

The other committee is:

- The Appeals Committee

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jon Bishop, Headteacher	3	5
Donna Alexander	3	5
Joanne Barber	4	5
Steven Brown	0	5
David Freer	3	5
John Hardwick	0	1
Sujan Sharma	0	5
Agnieszka Stefaniak	4	5
Donna Sherratt, Chair of Trustees	4	5
Keith Thomas	2	5
Martha Worsching	1	1
Victoria Freer	5	5
Andrew Reed	1	1

Andrew Reed joined the board of trustees, following the resignation of John Hardwick, Sujan Sharma, Martha Worsching and Keith Thomas. Trustees are well informed about their responsibilities.

Changes in the composition of the Board are indicated on page 1 of the financial statements and all were of a routine nature.

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GOVERNANCE STATEMENT (continued)

The Board's work was typical for a primary Academy Trust of its size and type, focusing on the improvement and maintenance of educational standards and on financial and general management. There were no unusual matters worthy of note dealt with by the Trustees during their work.

A review of the Board's performance in the year is detailed below. Challenges encountered have been of a routine nature concerning finances, staff management and educational standards.

The quality of data flowing to the Board is considered acceptable by Trustees based on their experience, their own observations, enquiries and judgements.

Governance Review:

Governance was seen as a strength of the school at our latest Ofsted inspection (November 2016). Trustees are well qualified and well trained. They have an in depth and proactive relationship with the Academy. Each Governor has a subject or year group responsibility. Year group Trustees follow a cohort of children as they move through Academy and they have a very good understanding of the workings of the Academy.

Trustees meetings are well attended (see below) and there are no vacancies on the Board.

A comprehensive skills audit showed that the Board of Trustees has a wide range of expertise and experience, covering all key areas of governance.

The Leadership and Management Committee, led by a bank manager, has a good understanding of the Academy's finances and the Academy is in a healthy financial position.

The Learning and Teaching Committee have scrutinised children's work and received a number of subject or area reports. Where reports are seen to be particularly important (e.g. post Ofsted review, data analysis), all Trustees are invited to attend meetings.

The Health and Safety Committee has overseen some very big projects, including the complete refurbishment of the school building and the bid for a four-classroom extension.

Trustees question and challenge the Headteacher, providing both challenge and support.

The Leadership and Management Committee is a sub-committee of the main Board of Trustees. Its purpose is to examine income and expenditure, financial performance and policy responsibilities, with delegated authority from the full Board of Trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Freer	3	3
Steven Brown	2	3
John Hardwick	2	2
Joanne Barber	3	3
Jon Bishop, Headteacher	3	3

Review of Value for Money

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

- Joint procurement with other schools in the loose collaborative partnership

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GOVERNANCE STATEMENT (continued)

- Improved foundation stage, phonic check scores, and Key Stage One attainment, and improved pupil progress scores in all key stages.

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 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 Robert Bakewell Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees ensures that Trustees have sufficient experience or qualifications, or sufficient training, to fulfil their role. Reports at full Governing Body meetings and committees are presented in advance, carefully scrutinised and questioned. A clear system of internal control is in place and this is reviewed.

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Leadership and Management 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 to appoint Leicestershire County Council as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control/ bank account reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The latest internal audit visit was September 2018. No material control issues were identified as a result of the internal auditor's review of work.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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


- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy 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 Leadership and Management 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 10 December 2018 and signed on their behalf, by:



Donna Sherratt
Chair of Trustees



Jon Bishop
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Robert Bakewell Primary School I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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


Jon Bishop
Accounting Officer

Date: 10 December 2018

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

The Trustees (who act as Governors of Robert Bakewell Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2018 and signed on its behalf by:



Donna Sherratt
Chair of Trustees

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ROBERT BAKEWELL PRIMARY SCHOOL

Opinion

We have audited the financial statements of Robert Bakewell Primary School (the 'academy') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2017 to 2018 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's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ROBERT BAKEWELL PRIMARY SCHOOL

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 or to cease operations, or have no realistic alternative but to do so.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ROBERT BAKEWELL PRIMARY SCHOOL

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Magma Asst LLP

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants
Statutory auditors

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date:

11/12/18.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Robert Bakewell Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Robert Bakewell Primary School's funding agreement with the Secretary of State for Education dated 28 November 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ROBERT BAKEWELL PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

Conclusion

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

Magma Audit LLP.

Reporting Accountant

Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: 11/12/18.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	601	7,735	8,336	7,409
Charitable activities	3	-	1,572,155	-	1,572,155	1,513,632
Other trading activities	4	12,449	-	-	12,449	7,721
TOTAL INCOME		12,449	1,572,756	7,735	1,592,940	1,528,762
EXPENDITURE ON:						
Raising funds		10,801	-	-	10,801	7,479
Charitable activities		-	1,457,397	90,227	1,547,624	1,559,355
TOTAL EXPENDITURE	5	10,801	1,457,397	90,227	1,558,425	1,566,834
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	15	1,648	115,359	(82,492)	34,515	(38,072)
		-	(15,526)	15,526	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		1,648	99,833	(66,966)	34,515	(38,072)
Actuarial gains on defined benefit pension schemes	19	-	92,000	-	92,000	58,000
NET MOVEMENT IN FUNDS		1,648	191,833	(66,966)	126,515	19,928
RECONCILIATION OF FUNDS:						
Total funds brought forward		78,920	(221,631)	3,443,775	3,301,064	3,281,136
TOTAL FUNDS CARRIED FORWARD		80,568	(29,798)	3,376,809	3,427,579	3,301,064

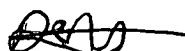
The notes on pages 25 to 46 form part of these financial statements.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08217604

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11		3,376,809		3,443,775
CURRENT ASSETS					
Stocks	12	2,507		2,974	
Debtors	13	41,475		42,557	
Cash at bank and in hand		477,250		299,360	
		<u>521,232</u>		<u>344,891</u>	
CREDITORS: amounts falling due within one year	14	<u>(85,462)</u>		<u>(75,602)</u>	
NET CURRENT ASSETS			<u>435,770</u>		<u>269,289</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,812,579</u>		<u>3,713,064</u>
Defined benefit pension scheme liability	19		<u>(385,000)</u>		<u>(412,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,427,579</u></u>		<u><u>3,301,064</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income fund	15	355,202		190,369	
Fixed asset fund	15	3,376,809		3,443,775	
		<u>3,732,011</u>		<u>3,634,144</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(385,000)</u>		<u>(412,000)</u>	
Total restricted funds			<u>3,347,011</u>		<u>3,222,144</u>
Unrestricted income funds	15		<u>80,568</u>		<u>78,920</u>
TOTAL FUNDS			<u><u>3,427,579</u></u>		<u><u>3,301,064</u></u>

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:



Donna Sherratt
Chair of Trustees

The notes on pages 25 to 46 form part of these financial statements.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>193,416</u>	<u>94,019</u>
Cash flows from investing activities:			
Purchase of tangible assets		(23,261)	(12,465)
Capital grants from DfE and other capital income		<u>7,735</u>	<u>7,409</u>
Net cash used in investing activities		<u>(15,526)</u>	<u>(5,056)</u>
Change in cash and cash equivalents in the year		177,890	88,963
Cash and cash equivalents at 1 September 2017		<u>299,360</u>	<u>210,397</u>
Cash and cash equivalents at 31 August 2018	18	<u><u>477,250</u></u>	<u><u>299,360</u></u>

The notes on pages 25 to 46 form part of these financial statements.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Robert Bakewell Primary School constitutes a public benefit entity as defined by FRS 102.

1.2 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

Where assets are received by the Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within income and donations and capital grants. The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived using the ESFA standard valuation on a depreciated replacement cost basis provided to the Academy. This provided a value for the land and buildings at the date of conversion.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

Expenditure on raising funds 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.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 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 Academy 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is not provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Leasehold land	-	over 125 years
Leasehold buildings	-	2% straight line
Furniture and fixtures	-	25% straight line
Computer equipment	-	33% straight line

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

1.7 OPERATING LEASES

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 STOCKS

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

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

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

1.12 TAXATION

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

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

1.13 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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. The TPS is an unfunded multi-employer scheme with insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

ROBERT BAKEWELL PRIMARY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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.

Defined benefit pension scheme

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	601	-	601	-
Capital grants	-	-	7,735	7,735	7,409
	-	601	7,735	8,336	7,409
Total 2017	-	-	7,409	7,409	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,361,565	1,361,565	1,308,374
Other DfE Group grants	-	184,814	184,814	177,768
	-	1,546,379	1,546,379	1,486,142
Other government grants				
Local Authority grants	-	25,776	25,776	17,689
	-	25,776	25,776	17,689
Other funding				
Other income	-	-	-	9,801
	-	-	-	9,801
	-	1,572,155	1,572,155	1,513,632
Total 2017	-	1,513,632	1,513,632	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	-	-	-	180
Breakfast and after school club	10,716	-	10,716	6,463
Other income	1,733	-	1,733	1,078
	12,449	-	12,449	7,721
Total 2017	7,721	-	7,721	

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5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	9,615	-	1,186	10,801	7,479
Educational Operations:					
Direct costs	1,060,676	67,670	49,666	1,178,012	1,188,886
Support costs	155,740	82,999	130,873	369,612	370,469
Total 2018	1,226,031	150,669	181,725	1,558,425	1,566,834
Total 2017	1,210,546	148,773	207,515	1,566,834	

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6. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	798,909	810,866
Teaching and educational support staff costs - NI	61,312	64,092
Teaching and educational support staff costs - pensions	193,159	173,907
LGPS pension interest cost (£26,000) less return on assets (£15,000)	11,000	9,000
Other direct costs	3,931	5,394
Educational supplies	27,322	46,695
Staff development	7,004	10,679
Educational consultancy	7,705	4,485
Depreciation	67,670	63,768
	<u>1,178,012</u>	<u>1,188,886</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	121,437	122,173
Support staff costs - NI	7,810	7,253
Support staff costs - pensions	26,493	25,598
Maintenance of premises and equipment	20,754	28,979
Cleaning	3,418	4,251
Rates	5,302	6,267
Insurance	14,508	9,514
Depreciation	22,557	21,256
Catering	61,937	62,629
Other support costs	45,176	47,455
Security and transport	2,238	1,481
Technology costs	12,129	10,374
Energy costs	16,460	14,738
Governance	9,393	8,501
	<u>369,612</u>	<u>370,469</u>
	<u><u>1,547,624</u></u>	<u><u>1,559,355</u></u>

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- capitalised by the charity	90,227	85,024
Auditors' remuneration - audit	5,410	5,304
Auditors' remuneration - other services	702	688
Operating lease rentals	795	795
	<u><u>97,134</u></u>	<u><u>96,811</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	921,334	922,426
Social security costs	70,021	71,345
Pension costs	221,321	199,505
	<u>1,212,676</u>	<u>1,193,276</u>
Agency staff costs	6,058	17,270
Staff restructuring costs	7,297	-
	<u><u>1,226,031</u></u>	<u><u>1,210,546</u></u>
Staff restructuring costs comprise:		
Redundancy payments	<u><u>7,297</u></u>	<u><u>-</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	20	22
Administration and support	31	37
Management	1	1
	<u><u>52</u></u>	<u><u>60</u></u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

The above employee contributed in the Teachers Pension Scheme. During the year ended 31 August 2018 pension contributions for this staff member amounted to £10,109 (2017: £10,772).

d. Key management personnel

The key management personnel of the Academy Trust comprise of the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £338,946 (2017: £207,745). These figures include salary costs of all Trustees employed by the Academy, even where they have no management role within their employment.

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NOTES TO THE FINANCIAL STATEMENTS
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9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

J Bishop (Headteacher) - appointed 22 August 2017

Remuneration £60,000 - £65,000 (2017: £0 - £5,000)

Employer's pension contributions £10,000 - £15,000 (2017: £0 - £5,000)

J Barber (Staff Trustee)

Remuneration £20,000 - £25,000 (2017: £20,000 - £25,000)

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

V Freer (Staff Trustee)

Remuneration £25,000 - £30,000 (2017: £20,000 - £25,000)

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

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £264 (2017 - £397).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Furniture and fixtures £	Plant and equipment £	Total £
COST				
At 1 September 2017	3,607,764	38,627	25,860	3,672,251
Additions	-	18,735	4,526	23,261
At 31 August 2018	<u>3,607,764</u>	<u>57,362</u>	<u>30,386</u>	<u>3,695,512</u>
DEPRECIATION				
At 1 September 2017	194,649	19,722	14,105	228,476
Charge for the year	69,779	13,318	7,130	90,227
At 31 August 2018	<u>264,428</u>	<u>33,040</u>	<u>21,235</u>	<u>318,703</u>
NET BOOK VALUE				
At 31 August 2018	<u>3,343,336</u>	<u>24,322</u>	<u>9,151</u>	<u>3,376,809</u>
At 31 August 2017	<u>3,413,115</u>	<u>18,905</u>	<u>11,755</u>	<u>3,443,775</u>

See note 1.3 regarding assets transferred on conversion.

12. STOCKS

	2018 £	2017 £
Classroom and other materials	<u>2,507</u>	<u>2,974</u>

13. DEBTORS

	2018 £	2017 £
Trade debtors	179	200
VAT recoverable	7,727	8,074
Prepayments and accrued income	33,569	34,283
	<u>41,475</u>	<u>42,557</u>

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14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	864	-
Other taxation and social security	17,458	18,616
Other creditors	20,246	20,518
Accruals and deferred income	46,894	36,468
	<hr/> 85,462 <hr/>	<hr/> 75,602 <hr/>
	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	27,786	27,786
Resources deferred during the year	29,909	27,786
Amounts released from previous years	(27,786)	(27,786)
	<hr/> 29,909 <hr/>	<hr/> 27,786 <hr/>
Deferred income at 31 August 2018		

The closing balance of deferred income relates to Universal Infant Free School Meals and rates relief received in advance of the 2018/19 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	78,920	12,449	(10,801)	-	-	80,568
RESTRICTED GENERAL FUNDS						
General annual Grant (GAG)	189,369	1,361,565	(1,188,156)	(7,576)	-	355,202
Pupil Premium	-	115,235	(115,235)	-	-	-
Other DfE Group grants	-	69,580	(61,630)	(7,950)	-	-
Other government grants	-	25,776	(25,776)	-	-	-
Other income	1,000	600	(1,600)	-	-	-
Pension reserve	(412,000)	-	(65,000)	-	92,000	(385,000)
	<u>(221,631)</u>	<u>1,572,756</u>	<u>(1,457,397)</u>	<u>(15,526)</u>	<u>92,000</u>	<u>(29,798)</u>
RESTRICTED FIXED ASSET FUNDS						
DfE Group capital grants	19,850	7,735	(9,225)	7,950	-	26,310
Capital expenditure from GAG	37,848	-	(11,793)	7,576	-	33,631
Transfer from Local Authority	3,074,252	-	(62,823)	-	-	3,011,429
Condition Improvement Fund	311,825	-	(6,386)	-	-	305,439
	<u>3,443,775</u>	<u>7,735</u>	<u>(90,227)</u>	<u>15,526</u>	<u>-</u>	<u>3,376,809</u>
Total restricted funds	<u>3,222,144</u>	<u>1,580,491</u>	<u>(1,547,624)</u>	<u>-</u>	<u>92,000</u>	<u>3,347,011</u>
Total of funds	<u>3,301,064</u>	<u>1,592,940</u>	<u>(1,558,425)</u>	<u>-</u>	<u>92,000</u>	<u>3,427,579</u>

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

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

The other DfE Group restricted funds consists of Universal Infant Free School Meals (UIFSM), rates relief income and PE Sport Grant. The transfer from funds relates to funding towards fixed assets additions to improve the quality of PE and sports within the school. All funds have been spent in full within the year.

Other government grants consist of High Level Needs funding which has been fully spent within the year.

Other income consists of £600 from the Parents and Friends Association (PFA) towards the Christmas Pantomime. All funds have been spent in full within the year.

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15. STATEMENT OF FUNDS (continued)

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from designated and restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

The transfer from Local Authority relates to the value of £3,011,429 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

The Condition Improvement Fund (CIF) relates to funding received in relation to replacement of the roof. The closing balance relates to the net book value of the assets concerned.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General funds	78,678	7,721	(7,479)	-	-	78,920
RESTRICTED GENERAL FUNDS						
General annual Grant (GAG)	109,268	1,308,374	(1,224,758)	(3,515)	-	189,369
Pupil Premium	-	118,320	(118,320)	-	-	-
Other DfE Group grants	315	59,448	(59,763)	-	-	-
Local Authority grants	-	17,689	(17,689)	-	-	-
Other income	-	9,801	(8,801)	-	-	1,000
Pension reserve	(425,000)	-	(45,000)	-	58,000	(412,000)
	<u>(315,417)</u>	<u>1,513,632</u>	<u>(1,474,331)</u>	<u>(3,515)</u>	<u>58,000</u>	<u>(221,631)</u>
RESTRICTED FIXED ASSET FUNDS						
DfE Group capital grants	16,342	7,409	(5,442)	1,541	-	19,850
Capital expenditure from GAG	44,706	-	(10,373)	3,515	-	37,848
Transfer from Local Authority	3,137,075	-	(62,823)	-	-	3,074,252
Condition Improvement Fund	319,752	-	(6,386)	(1,541)	-	311,825
	<u>3,517,875</u>	<u>7,409</u>	<u>(85,024)</u>	<u>3,515</u>	<u>-</u>	<u>3,443,775</u>
Total restricted funds	<u>3,202,458</u>	<u>1,521,041</u>	<u>(1,559,355)</u>	<u>-</u>	<u>58,000</u>	<u>3,222,144</u>
Total of funds	<u>3,281,136</u>	<u>1,528,762</u>	<u>(1,566,834)</u>	<u>-</u>	<u>58,000</u>	<u>3,301,064</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,376,809	3,376,809
Current assets	80,568	440,664	-	521,232
Current liabilities	-	(85,462)	-	(85,462)
Pension scheme liability	-	(385,000)	-	(385,000)
	<u>80,568</u>	<u>(29,798)</u>	<u>3,376,809</u>	<u>3,427,579</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,443,775	3,443,775
Current assets	78,920	265,971	-	344,891
Current liabilities	-	(75,602)	-	(75,602)
Pension scheme liability	-	(412,000)	-	(412,000)
	<u>78,920</u>	<u>(221,631)</u>	<u>3,443,775</u>	<u>3,301,064</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	34,515	(38,072)
Adjustment for:		
Depreciation charges	90,227	85,024
Decrease in stocks	467	1,806
Decrease in debtors	1,082	40,496
Increase/(decrease) in creditors	9,860	(32,826)
Capital grants from DfE and other capital income	(7,735)	(7,409)
Defined benefit pension scheme cost less contributions payable	54,000	36,000
Defined benefit pension scheme finance cost	11,000	9,000
Net cash provided by operating activities	<u>193,416</u>	<u>94,019</u>

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18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	477,250	299,360
Total	477,250	299,360

19. PENSION COMMITMENTS

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

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

Contributions amounting to £20,004 were payable to the schemes at 31 August 2018 (2017 - 20,518) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the

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19. PENSION COMMITMENTS (continued)

employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £99,976 (2017 - £104,780).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £82,000 (2017 - £76,000), of which employer's contributions totalled £66,000 (2017 - £60,000) and employees' contributions totalled £16,000 (2017 - £16,000). The agreed contribution rates for future years are 23.4 - 24.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Inflation assumption (CPI)	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	405,000	379,000
Bonds	176,000	113,000
Property	59,000	45,000
Cash	13,000	29,000
Total market value of assets	<u>653,000</u>	<u>566,000</u>

The actual return on scheme assets was £28,000 (2017 - £19,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2017 for the year to 31 August 2018, or date of joining the fund if later).

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19. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(120,000)	(96,000)
Interest income	15,000	10,000
Interest cost	(26,000)	(19,000)
Total	(131,000)	(105,000)

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

	2018 £	2017 £
Opening defined benefit obligation	978,000	914,000
Current service cost	120,000	96,000
Interest cost	26,000	19,000
Employee contributions	16,000	16,000
Actuarial gains	(79,000)	(49,000)
Benefits paid	(23,000)	(18,000)
Closing defined benefit obligation	1,038,000	978,000

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

	2018 £	2017 £
Opening fair value of scheme assets	566,000	489,000
Interest income	15,000	10,000
Actuarial gains	13,000	9,000
Employer contributions	66,000	60,000
Employee contributions	16,000	16,000
Benefits paid	(23,000)	(18,000)
Closing fair value of scheme assets	653,000	566,000

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2018:	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	13 %	132,000
0.5% increase in the Salary Increase Rate	2 %	17,000
0.5% increase in the Pension Increase Rate	11 %	114,000

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20. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	398	795
Between 1 and 5 years	-	398
	<hr/>	<hr/>
Total	398	1,193
	<hr/> <hr/>	<hr/> <hr/>

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

V Freer, daughter in law of D Freer, a trustee, is employed by the academy as a teacher. V Freer's appointment was made in open competition and D Freer was not involved in the decision making process regarding appointment. V Freer is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

22. CONNECTED CHARITIES

The Robert Bakewell Parents and Friends Association raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy. The charity's net assets/reserves at 31 August 2018 were £3,598 (2017 - £3,847). The charity's gross income for the year to 31 August 2018 was £1,634 (2017 - £Nil) its expenditure was £1,884 (2017 - £381) and its in year deficit was £250 (2017 - £381).

23. 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.