

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2019



St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

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St Laurence in Thanet Church of England Junior Academy
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Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2019

Members Maria Blackburn
Kim Stoner
Brian Griffiths
The Diocese of Canterbury Academies Company Limited (represented by Niki Paterson)

Trustees Maria Blackburn, Chair of Trustees ¹
Michelle Palmer, Headteacher and Accounting Officer ¹
Rev Ian Andrew Jacobson
Sue Booker
Katie Chetwynd (term of office ended 16.11.2018)
Diane Harvey
Michelle Kiting, Vice Chair of Trustees
Neil Dobson ¹
Floyd Roberts ¹
Laura Roberts
Robert Gregory ¹
Donella Hoyle (appointed 21.11.18)

¹ Members of the Finance and Resources Committee

Company registered number 08291666

Company name St Laurence in Thanet Church of England Junior Academy

Principal and registered office St Laurence In Thanet Church of England Junior Academy,
Newington Road,
Ramsgate,
Kent, CT11 0QX

Senior management team Michelle Palmer, Headteacher
Diane Harvey, Deputy Headteacher
Louise Buckland, Assistant Headteacher

Bankers Lloyds Bank
3 Queen Street
Ramsgate

Auditors UHY Kent LLP trading as UHY Hacker Young
Thames House
Roman Square
Sittingbourne
Kent. ME10 4BJ

St Laurence in Thanet Church of England Junior Academy
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Trustees' report
For the year ended 31 August 2019

The trustees present their annual report and auditors' report of the academy trust for the year ended 31 August 2019.

The academy trust operates an academy for pupils aged 7 to 11, serving a catchment area in Ramsgate. It has a pupil capacity of 256 and had a roll of 225 in the school census on 16 May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity, and the memorandum and articles of association are its primary governing documents.

The trustees of St Laurence in Thanet Church of England Junior Academy are also the directors of the academy trust company for the purposes of company law. They are also sometimes referred to as Governors.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Principal activities

The trust ensures that the school is accountable for providing the best education possible for its pupils. This includes attending progress meetings, completing a monitoring schedule linked to the school plan, approving policies and holding all leaders to account. The activities that the Trust lead challenge and support the school.

Members' liability

Each member of the academy trust undertakes to contribute to the assets of the academy trust in the event of it being wound up whilst 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

The academy trust maintains trustees, governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees and governors. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 12 to the financial statements.

Method of recruitment and appointment or election of trustees

The Members shall appoint up to 8 trustees of whom the following corporate members shall also be trustees: The incumbent of St Laurence in Thanet Parish Church.

The Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

The Board of Trustees, sometimes referred to as the Governing Body, shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

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

Method of recruitment and appointment or election of trustees – cont.

In appointing a Parent Trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Vacancies for Staff Trustees are filled by election.

In all appointments the skills required to contribute to the effective governance and success of the school are taken into consideration.

A skill based approach is taken to the recruitment of new Trustees. The Board undertakes annual self-reviews/skills audits to identify any areas of weakness. This information is taken into account when appointing new Trustees to ensure all essential skills are covered. Trustees are encouraged to identify suitable persons who have the necessary skills to join the governing body. Also, the parish of St Laurence in Thanet seeks to enlist suitably qualified members of the congregations to apply for vacancies on the governing body. The Board have advertised vacancies using the national Governors database.

Members of the Trust are sent details of any potential member appointed trustee to determine their suitability. The trustees who were in office at 31 August 2019 and served throughout the year, except where shown, are listed on page 1.

Policies and procedures adopted for the induction and training of trustees

The school has an Induction Procedure issued to all new Trustees. A mentor is appointed to work alongside new Trustees and all new Trustees are invited in to meet with the Headteacher and Chair. The Clerk meets with new Trustees to explain Induction procedures and the role of a Trustee. The Induction Pack incorporates job descriptions for all Link Trustees and links to websites where further guidance can be obtained. The job descriptions have been shared with other local schools as examples of best practice.

The School subscribes to the Local Authority Governor support package. The Board regularly reviews training needs and features as a standard Agenda items at all Full Board meetings.

Trustees are registered to receive notification of training opportunities and the Clerk regularly advises on forthcoming training at meetings and via email.

In addition, the school is a member of the BRESIC group and an associate member of the RAP Group, both local school collaborations, and training opportunities are shared with other members in the groups.

Self-review and skills audits are used to determine training requirements.

Organisation structure

The Headteacher is the accounting officer who oversees the day to day running of the financial structure of the Academy. The Trustees meet five times a year at Full Board Meetings to make strategic decisions about the running of the school. There are also regular meetings of the Learning and Development Committee (3x/year) and Resources (Finance) Committee (6x/year). A Strategy Team, comprising the Chair, Vice Chair and Committee Chairs also meets on an ad-hoc basis as required to plan and monitor progress towards long term strategic goals. In addition, the Headteacher holds weekly strategy meetings with teaching staff and the Senior Leadership Team and meets regularly with the Chair.

The Board and its committees have clear and detailed terms of reference for delegation and the Scheme of delegation is published on the website. Levels of financial delegation are stated in the School Financial Procedures Policy. All the aforementioned documents are reviewed annually.

The Board has sole responsibility for appointing a selection panel for the Headteacher and deputy head, for reviewing procedures for addressing staff discipline, conduct and grievance and for changes to the school status.

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

Arrangements for setting pay and remuneration of key management personnel

The Headteacher Performance Management Committee comprises of three Trustees with advice taken from the Diocese School Improvement Adviser. Targets are set annually and a progress review is carried out mid-year. Targets are set in line with school improvement objectives and improving pupil progress data. Incremental pay awards are made in line with targets achieved and are fully discussed with the independent adviser.

The Headteacher carries out the performance management of the Deputy Head and Assistant Head and any performance management related pay awards are recommended to the Pay Committee (three Trustees) for agreement.

All Pay Committee meetings, and decisions made, are minuted.

Specific disclosures concerning remuneration paid to the key management personnel, including the staff trustees, is disclosed in note 10. Disclosures concerning staff trustees' remuneration is included in note 11.

Connected organisations, including related parties

St Laurence in Thanet Church of England Junior Academy is part of the BRESIC group (Broadstairs, Ramsgate, Ethos School Improvement Company). The Group comprises three junior schools, one primary school and two secondary schools who work together with the aim of raising standards in education. The schools share resources to spread good practice and carry out moderation of pupils' work to ensure consistency of standards across schools.

St Laurence is also an associate member of the RAP collaboration (Ramsgate Achievement Partnership) comprising the two local infant feeder schools, another Church of England Junior School and a primary school. Heads of the schools provide independent feedback on teaching practices and procedures which is used to inform the schools' self-evaluations.

St Laurence is a Church of England Academy is subject to the overall control of the Diocese of Canterbury.

OBJECTIVES AND ACTIVITIES

Objects and aims

The academy provides children with a broad education that is values led. Our key mission is to be an outstanding school that is driven by belief, achievement and aspiration.

Through our imbedded Christian ethos and innovative curriculum our values of hope, love, joy, peace and resilience are embedded. Children are encouraged to believe in Christian values that help them to become peace loving and tolerant individuals, as well as active citizens of society. These objectives augment British Values principles.

Objectives, strategies and activities

1. Leadership & Management

Areas for Improvement

- Robust leadership improves outcomes for pupils so that progress for all pupils is at least in line with those Nationally in all areas.
- There is a high level of challenge across the curriculum.
- Middle leaders aspire to senior leadership roles.
- Leaders ensure that the well-being of staff is a strong consideration. Leaders are aware of the main pressures on staff and take account of them.
- Leaders ensure that teachers have focused and highly effective professional development.

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

Objectives, strategies and activities – cont.

1. Leadership & Management – cont.

Success Criteria-

Leaders will:

- Continue to accurately monitor the standards of learning and teaching
- Plan actions in their subject area that will impact directly on quality of teaching and achievement of pupils ensuring there is sufficient challenge for all pupils and opportunities to enrich their experiences.
- All leaders will access highly effective CPD to continue their professional development
- Continue to evidence the impact their actions have made and present this evidence to the Trustees
- Ensure well-being for all staff is a high priority. Open dialogue ensures staff feel well looked after and valued.

Trustees will:

- Have a clear and detailed understanding of what actions leaders have taken to improve outcomes and the impact of these actions against the school's milestones
- Continue to challenge all leaders to raise standards
- Ensure that all staff's well-being is a priority.

Impact on teaching & learning:

- At least good progress is made by all pupils.
- More pupils will make accelerated progress by the end of the Key Stage.
- Achievement targets for 2020 will be higher than FFT 50.
- Challenge will be evident across the curriculum. Children will continue to have an enriched curriculum tailored to their needs.

2. Behaviour & Attitudes

Areas for Improvement –

- Behaviour in and around the school is consistently good.
- All children are smartly dressed and take pride in their uniform.
- Learners will have highly positive attitudes and be committed to their education. They are highly motivated and persistent when faced with difficulties.
- There is a continued strong focus on attendance and punctuality so that disruption is minimised. When this is not the case, the school takes appropriate, swift and effective action.
- Pupils behave with consistently high levels of respect for others. Pupils actively support the well-being of other pupils. They continue to have a highly positive role in creating an inclusive school environment.

Success Criteria-

All Staff will:

- Have consistently high expectations for behaviour in and around the school for all pupils
- Continue to inspire, engage and motivate learners by making the learning exciting, creative and meaningful
- Continue to provide opportunities and experiences for children to embrace diversity and difference.

Pupils will:

- Be engaged and highly motivated in their own learning
- Be keen to achieve well and be proud of their achievements. They will take pride in their work.
- Behave with consistently high levels of respect for others.

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

Objectives, strategies and activities – cont.

2. Behaviour & Attitudes – cont.

Pupils will:

- Consistently have highly positive attitudes and commitment to their education.
- Support each other with well-being and identified pupils will become pupil mentors.
- Understand the importance of attending school regularly and being punctual.
- Play a highly positive role in creating a school environment in which commonalities are identified and celebrated, difference is valued and nurtured, and bullying, harassment and violence are never tolerated.

3. Personal Development

Areas for Improvement

- Our children need to develop strong aspirations.
- A whole school focus on healthy eating, healthy mind and healthy body is needed so that children are more health conscious.
- The school needs to continue to promote equality of opportunity and diversity exceptionally well through spiritual, moral, cultural development and promotion of fundamental British Values.
- The school needs to continue to provide rich experiences in a coherently planned way in the curriculum and through extra-curricular activities so that this continues to strengthen the school offer.
- The school needs to consistently promote the extensive personal development of pupils. This will give pupils the qualities that they need to flourish in our society.

Success Criteria:

- Opportunities for our children to aspire to be the best they can be.
- Opportunities to promote a healthy lifestyle across the curriculum.
- Pupils will understand the value of education and how it equips them for success at school and in their adult life.
- Pupils will develop aspirations for the future.
- Pupils will know the importance of a healthy lifestyle and mental – well- being. They will demonstrate the importance of being able to recognise online and offline risks to their well-being. They will recognise the dangers of inappropriate use of mobile technology and social media
- Pupils will be well- prepared for life in modern Britain, developing their understanding of fundamental British values.
- The school will provide pupils with meaningful opportunities to understand how to be responsible, respectful, active citizens who contribute positively to society.

4. Quality of Education

Areas for Improvement

- Our curriculum needs to be progressive, rich and prepare children for their future lives.
- Children's life experiences need to continue to be broadened as a result of the curriculum experienced.

Curriculum Intent:

The school's curriculum is coherently planned and sequenced so that it provides sufficient knowledge and skills for future learning and employment.

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

Objectives, strategies and activities – cont.

4. Quality of Education – cont.

Implementation:

- Pixl assessment and resources continue to contribute towards at least good progress being made by all pupils. (Assessed 3 x yearly)
- Assessment to be used effectively by teachers and leaders.
- All adults in the school to continue to use questioning skilfully to improve outcomes.
- Teachers to have good subject knowledge of the curriculum.
- The work given to pupils is to be demanding and match the aims of the curriculum.
- Reading continues to be a priority in the school to enable pupils to access the full curriculum offer.

Impact

- Pupils' work across the curriculum is consistently of high quality.
- Pupils develop detailed knowledge and skills across the curriculum and as a result achieve very well.
- Pupils consistently achieve highly, particularly the most disadvantaged. Pupils with SEND achieve exceptionally well.

Success Criteria:

- Teachers will provide a challenging and an enriched curriculum
- Pupils will talk confidently about what they have learned.
- End of Key Stage and end of year targets will be in line with FFT 50 and some pupils will meet FFT 20 in July 2020.
- A coherently planned curriculum that is rich with opportunities and knowledge to prepare pupils for future learning. Children's life experiences are broadened as a result.
- Assessment is used well to identify learning and curriculum needs.
- All adults use questioning skilfully which adds to improved progress.
- Learning walks and work scrutiny show teachers have good subject knowledge and present subject matter clearly. Misconceptions are identified accurately and clear feedback is provided.
- Pupils' work matches the aim of our curriculum.
- Pupils read widely and often, with fluency and comprehension appropriate to their age.
- Talk partners – strategies will be established in Year 3. This intervention will be used effectively in Years 3 and 4.

Public benefit

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. They have followed procedures to ensure that the Academy provides care, guidance, support and a broad, balanced curriculum that enables all pupils to fulfil their potential. The School has supported numerous local and national charities including: NSPCC, Macmillan Cancer Support, Fair Trade, Children with Cancer UK, Thanet Foodbank, Children in Need, Sports Relief and Guide Dogs for the Blind.

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

STRATEGIC REPORT

Achievements and performance SATS Results 2019

	Reading	Writing	Maths	GPS	Combined
% of Expected	48/63 76%- 4 children 1 mark off which would have given us 83% (2018 76%)	50/63 79% (2018 81%)	51/63 81% (2018 65%)	56/63 89% (2018 73%)	42/63 67% (2018 56%)
National % Expected 2019	73%	78%	79%	78%	65%
Higher than Expected %	Higher Standard 15/63 24% (2018 21%)	Greater Depth 10/63 16% (2018 11%)	Higher Standard 25/63 40% (2018 17%)	Higher Standard 20/63 32% (2018 25%)	Higher Standard 13% (2018 5%)
National Higher than Expected	27%	20%	27%	36%	11%
Progress Measures	-1.4 (2018 -1.4%)	-2.3 (2018-0.7%)	0.7 (2018-2.7)	N/A	N/A
Floor standard	At least -5	At least -7	At least -5	N/A	N/A
Scaled scores	105 (2018 103)	N/A	107 (2018 101)	108 (2018 103)	N/A
National Scaled scores	104	N/A	105	106	N/A

Analysis of Results

- Reading Expected has been sustained from previous year and is above National 2019 (although we have 4 children one mark off which would have taken us up to 83%). Higher Standard reading is higher than last year.
- Writing Expected is still in line with National 2019 and slightly lower (-2%) than previous year. Greater Depth has improved by 5% compare to 2018 and is closer to National.
- Maths results have improved significantly from the previous year (+16%) and is 2% above National 2019. Higher Standard Maths has improved by 23% from the previous year and is above National 2019 by 13%.
- GPS Expected 2019 has improved by 16% from 2018 and is above National 2019 by 11%. Higher Standard GPS has improved from 2018 by 7% and is in line with National.
- Combined has improved by 11% from the previous year. And is above National 2019. Higher Standard combined has improved from 2018 (+8%) and is slightly above National 2019.
- Scaled scores are all higher than last year and significantly higher in GPS and Maths. Scaled scores are in line with the National score in Reading but above the National score in Maths and GPS.
- Floor standards for progress have been met in all areas and progress has been particularly strong in Maths.

Key financial performance indicators

The trustees consider that the following are key performance indicators for the academy:

- Ofsted Report;
- End of Key Stage Results;
- In year progress and attainment data for all year groups; and
- NOV's provided by the LEA and Canterbury Diocese.

Please refer to the achievements and performance section for information evaluating performance against these indicators.

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

STRATEGIC REPORT – cont.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future despite the cumulative deficit position on revenue income reserves explained in the financial review and position earlier in this report. However, it may be necessary to contact the ESFA to place them on notice that the trust may at some point in the coming months require an advance of grant funding to ease potential short term cash flow issues. Based on the reasons explained in accounting policy 1.2 the trust continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding, and also other income such as catering, and 6th Form partnership income. Total income for the year was £1.16m, down from £1.23m in the previous year. The increase in income is largely attributable to:

- a £60k fall in income from educational activities, predominantly relating to a reduction in core General Annual Grant funding due to less pupil numbers; and
- a £15k fall in donations and capital grants. In fact there was an increase in DfE capital grants this year due to the one-off 'additional' capital funding grant for 2018-19 of £10k, however the prior year included significantly more donations and hence overall the donations and capital grants balance fell.

The incoming resources for the year have not been sufficient to cover total resources expended of £1.25m, resulting in net expenditure for the year of £91k (2018: £143k), as shown on the Statement of Financial Activities ("SoFA"). The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was a reduction of £218k (2018: increase of £1k). It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the academy.

Excluding movements on tangible fixed assets and the LGPS defined benefit pension liability the trust's operational deficit on revenue funds for the year was £14k (2018: deficit of £51k), as reconciled from the SoFA below:

		2019 (£000s)	2018 (£000s)
Overall net movement in funds for the year per SoFA		(218)	1
Add:			
Decrease / (increase) attributable to fixed asset fund	See A	14	5
LGPS actuarial (gain)/loss	See B	116	(144)
LGPS service and interest costs	See B	74	79
Operational surplus /(deficit) on revenue funds after transfers		(14)	(59)
Transfers from revenue to capital to fund fixed asset additions		-	8
Operational surplus /(deficit) on revenue funds before transfers		(14)	(51)

(A) The movement on restricted fixed asset funds comprises capital grant income received during the year less depreciation charged on capitalised assets purchased from such funds. Since these do not relate to day-to-day operational matters the movement on fixed asset funds is excluded from the operational result.

(B) The Balance Sheet carries the trust's share of the deficit on the Local Government Pension Scheme. A detailed report has been prepared by an actuary detailing the movement in the deficit during the year. The movement is in two parts: (1) the actuarial gain relates to movement linked to the assumptions made by the actuary, (2) other movements comprising (i) net interest costs (ii) current service costs - the value of benefits accrued by members over the accounting period less contributions paid and (iii) past service costs for additional benefits granted during the year. Again since the LGPS movement do not relate to operational matters these have been excluded from the operational result. The significant increase in the LGPS liability during 2018-19 relates to a number of issues which are described in note 2 to the financial statements explaining critical accounting estimates and judgements.

At 31 August 2019, the net book value of fixed assets was £47k and movements in tangible fixed assets are shown in note 13 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academy, the only exceptions to this being limited letting of the premises to local community groups.

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Trustees' Report (continued)
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Financial position

The academy trust's Balance Sheet does not recognise any value in respect of the school land and buildings occupied. This follows the standard practice agreed between the ESFA and various church bodies where church school buildings are occupied under a Supplemental Agreement.

The absence of any value for the land and buildings, together with the Local Government Pension Scheme (LGPS) liability, means the Balance Sheet shows a net liability position of £6221k (2018: £404k).

Most of the increase in net liabilities is as a result of a rise in the LGPS deficit during 2018-19. As noted on the previous page under the reconciliation table this increase in the carried liability is explained in note 2.

The LGPS deficit does not mean that an immediate liability crystallises; it is an accounting deficit with no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions.

Alongside the pension deficit the trust held restricted fixed asset funds of £42k (2018: £56k) and a deficit on revenue income funds of £2k (2018: £12k) which is explained below within the reserves policy.

Reserves policy

The trustees review the reserve levels of the academy annually as stated in the financial procedures policy.

The Academy aims to maintain a reserve of at least £87k to a maximum of £200k; this would be sufficient to cover one month's salaries and to allow a contingency for emergency needs. This is in line with advice from independent auditors. However, due to reduced funding and the falling roll, the Academy has been unable to sustain this level of reserves. Steps have been taken, wherever possible, to make savings and build on reserves for the future.

Accounts show that the academy trust has a cumulative deficit on revenue reserves of £2k at present. A falling roll has led to this position as the number of pupils in Year 4 is only 36 which is 28 pupils short of capacity. This has resulted because the LEA had incorrectly predicted the surplus of school places needed in the local area- consequently two new schools were built which influence the intake of Year 3 pupils September 2017. As well as this a Fire station was built opposite the school which took away the local parking for parents. The new schools built have parking facilities which make them more attractive to working parents or for parents who live some distance away from the school.

Principal risks and uncertainties

Due to the number of new schools being built in the area (at the recommendation of the Local Authority) existing schools continue to face a reduction in the number of pupils on roll. Inward migration has not been as high as originally predicted and the Local Authority have recognised the problems now faced by Thanet schools and Ramsgate schools in particular. The immediate situation facing St Laurence in Thanet means that the school roll is likely to be down for the next three academic years. This has a severe and profound effect on funding.

Trustees are fully aware of the implications and have introduced a stringent new timetable for budget monitoring. Extra meetings of the Resources Committee are planned and more detailed monitoring will be presented to ensure careful handling of the school's finances.

Lack of suitable parking continues to be an issue for the school. Trustees have been working hard with local councillors, the local education authority and Thanet Council to provide a solution to parking and road safety issues. Despite the LA making funding available, a suitable site for community parking has still to be identified.

Operational risk is reviewed on an on-going basis by the Senior Leadership Team. Entries in the School's Risk Register are considered by the Trustees and issues arising have been discussed at Strategy Meetings.

The main risks that the academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

- *Strategic and Reputational* - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for academy service, competition from other schools with similar objects and little scope for differentiation. The School is aware that there is excess of school places in the local area.
- *Finance risk* - The risk of the academy not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are also risks in connection with the deficit on the Local Government Pension Scheme, although the trustees are comfortable with the current level of employer contributions the academy is required to pay.
- *Safeguarding and child protection* - The Trustees continue to ensure that the highest standards are maintained in areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety, and discipline.

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Trustees' Report (continued)
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Principal risks and uncertainties – cont.

- *Failures in governance and/or management* – The risk in this area arises from the potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- *Staff* – The success of the academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Financial and risk management objectives and policies

The academy trust does not use complex financial instruments, it manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The main risk to which the trust is exposed from is making a deficit from unforeseen but necessary expenditure. The trust manages its cash resources so that all its operating needs are met without the need for short-term borrowing, and Trustees review the amount of surplus cash and invest as appropriate so as to maximise interest income.

The trust is also exposed to the following financial risks:

- *Interest rate risk* - the trust earns interest on cash deposits and with interest rates currently low, the trustees will take appropriate action to ensure they maximise the income from these deposits.
- *Credit risk* is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Fundraising

The School has supported numerous local and national charities including: Thanet Foodbank, NSPCC, Macmillan Cancer Support, Fair Trade, Children with Cancer UK and Children in Need.

PLANS FOR FUTURE PERIODS

The trustees' main plans for future periods are:

1. Leadership & Management	2. Behaviour and Attitudes	3. Personal Development	4. Quality of Education
<ul style="list-style-type: none"> • Robust leadership improves outcomes for pupils so that progress for all pupils is at least in line with those Nationally in all areas. • There is a high level of challenge across the curriculum. • Middle leaders aspire to senior leadership roles. • St. Laurence will continue to be a teaching school and will develop the partnership with Christ Church University further. • Leaders ensure that the well-being of staff is a strong consideration. • Leaders are aware of the main pressures on staff and take account of them. • Leaders ensure that teachers have focused and highly effective professional development. 	<ul style="list-style-type: none"> • Learners will be curious and engaged in their learning. • Attendance will continue to improve. • Our children will develop strong aspirations. <p>A whole school focus on healthy eating, healthy mind and healthy body so that children are more health conscious.</p>	<ul style="list-style-type: none"> • Curiosity and challenge are a predominant part of our curriculum. • Children's life experiences continue to be broadened as a result of the curriculum experienced. • Immediate intervention continues to be a strength of the school. • Pixl assessment and resources continue to contribute towards at least good progress being made by all pupils. <p>All adults in the school use questioning skilfully to improve outcomes.</p>	<ul style="list-style-type: none"> • All pupils make good progress from their starting points. • The progress of disadvantaged pupils, SEN pupils and higher achievers is at least good. • Presentation across the curriculum is at least consistently good. <p>Greater Depth writing across the school continues to improve. The percentage of children at the end of the Key Stage achieving Greater Depth is at least in line with National.</p>

St Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Trustees' Report (continued)
For the year ended 31 August 2019

PLANS FOR FUTURE PERIODS – cont.

This links to Ofsted areas for Improvement following the school's Section 5 inspection in July 2018:

Improve teaching, learning and assessment by ensuring that:

- teachers adjust the level of challenge to develop pupils' skills more quickly, especially for higher-attaining pupils;
- staff use questioning more consistently to develop pupils' understanding and further extend learning.

Improve outcomes for pupils by ensuring that:

- pupils have greater opportunities to develop their writing skills in different subjects across the curriculum
- staff have higher expectations of pupils' presentation of their work.

DISCLOSURE OF INFORMATION TO AUDITORS

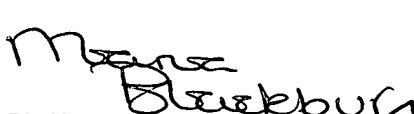
In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the trustees have taken all the steps 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.

AUDITORS

The auditors, UHY Hacker Young, have indicated their willingness to remain in office, and the audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees and signed on the Board of Trustees' behalf by:


Maria Blackburn
Chair of Trustees


Michelle Palmer
Principal and Accounting Officer

Date: 2 December 2019

St Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 St Laurence in Thanet Church of England Junior Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met five 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
Maria Blackburn, Chair of Trustees	4	5
Michelle Palmer, Principal and Accounting Officer	5	5
Rev Ian Andrew Jacobson	4	5
Sue Booker	3	5
Katie Chetwynd	1	1
Diane Harvey	5	5
Michelle Kiting	3	5
Neil Dobson	5	5
Donella Hoyle	4	4
Floyd Roberts	4	5
Laura Roberts	5	5
Robert Gregory	4	5

The Board membership has remained consistent this year with a strong, experienced team of Trustees. Non-elected appointments are always made on a skills basis. Both parent elected Governors are fully involved in the work of the Board and make a significant contribution.

The Finance & Resources Committee is a sub-committee of the main board of trustees. Its purpose is to ensure accurate monitoring of the school's budget and review of financial procedures so that spending is allocated appropriately to continue to meet the educational needs of the children. The school has a clear and detailed Financial Procedures policy which is reviewed annually.

The Finance and Resources Committee's remit also includes the functions of an audit committee.

This year the Committee has acted to address the reduced roll and the impact this has on future funding, the in-year deficit which has reduced reserves below the desired level.

The Chair of Governors sits on the Finance and Resources Committee and all members of the team have a detailed understanding of the school's financial position. The budget is closely monitored at Resources meetings and monthly cash flow statements are examined by committee members and are signed off by the Chair of Trustees.

The reduced roll is through no fault of the school. Due to the provision of new schools in the area there is an excess of school places for the number of children and many schools, particularly those in Ramsgate and Broadstairs, have suffered from this over-estimate by the LA.

Lack of parking provision has also affected parents' choice of school. Since the community parking at the adjacent site has been lost due to the building of the new Fire Station, there is no safe parking area for parents to drop off and collect their children. The school has been proactive in seeking a solution to this problem. Meetings have been held with community leaders, local councillors and the Local Authority.

St Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Governance Statement (continued)

Attendance at Finance & Resources Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michelle Palmer, Principal and Accounting Officer	6	6
Neil Dobson	6	6
Maria Blackburn	5	6
Floyd Roberts	5	6
Robert Gregory	4	6
Laura Roberts (observer)	1	1

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 St Laurence in Thanet Church of England Junior Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 Finance & Resources 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Instead the board decided to appoint the external auditors to undertake an additional programme of internal control monitoring checks.

On a termly basis, monitoring checks are completed on the operation of the systems of control. In particular the checks carried out in the current year included:

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

All scheduled visits have been completed.

St Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Governance Statement (continued)

Review of Value for money

As Accounting Officer the Principal 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:

Two CIF bids submitted to the ESFA this year were unsuccessful.

During the year there have been no major items of expenditure.

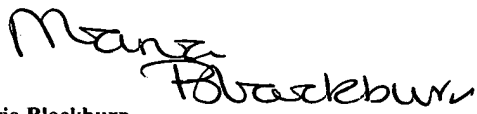
Review of Effectiveness


As Accounting Officer, the Principal 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 independent reviewer;
- work of the external auditors;
- the financial management and governance self-assessment process;
- 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 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 and signed on their behalf, by:


Maria Blackburn
Chair of Trustees


Michelle Palmer
Principal and Accounting Officer

Date: 2 December 2019

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of St. Laurence in Thanet Church of England Junior Academy 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 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

- monthly management accounts have not been prepared in accordance with the Academies Financial Handbook requirements. We are planning on providing additional support to the chief financial officer so that compliance in this area can be achieved.

Given the academy trust's financial position I feel it is appropriate to acknowledge the following in my statement here. The trust experienced an in-year deficit on operating funds during 2018-19. We had been anticipating a small surplus, however the audit process identified the need for year end accounting adjustments which made the financial position worse than predicted and the closing reserves related to income funds were in cumulative deficit by £2,240 as at 31 August 2019.

The weak financial position has arisen predominantly due to a falling roll and not due to any financial irregularity or impropriety.

Disclosures are included in accounting policy note 1.2 explaining why I, and the trustees, consider that it remains appropriate for the trust to be treated as a going concern.



Michelle Palmer
Accounting Officer

Date: 2 December 2019

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Statement of trustees' responsibilities
For the Year Ended 31 August 2019

The trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



Maria Blackburn
Chair of Trustees

Date: 2 December 2019

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of St. Laurence in Thanet Church of England Junior Academy

Opinion

We have audited the financial statements of St. Laurence in Thanet Church of England Junior Academy (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which explains why, despite the negative level of free reserves on operational income revenue funds, the trustees consider the academy trust remains a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the academy trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of St. Laurence in Thanet Church of England Junior Academy (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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 Trustees' Responsibilities Statement, the trustees (who are also the directors of the academy trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 13 December 2019

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St. Laurence in Thanet Church of England Junior Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. Laurence in Thanet Church of England Junior Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St. Laurence in Thanet Church of England Junior Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St. Laurence in Thanet Church of England Junior Academy and 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 St. Laurence in Thanet Church of England Junior Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St. Laurence in Thanet Church of England Junior Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St. Laurence in Thanet Church of England Junior Academy's funding agreement with the Secretary of State for Education dated 27 July 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of St. Laurence in Thanet Church of England Junior Academy's for the year ended 31 August 2019 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St. Laurence in Thanet Church of England Junior Academy and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, with the exception of the points noted in the Accounting Officer's statement of regularity and propriety on page 16, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 13 December 2019

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	7,418	-	17,372	24,790	39,943
Educational operations	4	45,810	1,084,524	-	1,130,334	1,190,710
Other trading activities	5	1,465	-	-	1,465	1,884
Total income		54,693	1,084,524	17,372	1,156,589	1,232,537
Expenditure on:						
Charitable activities	7	20,992	1,220,216	17,169	1,258,377	1,375,272
Total expenditure	8	20,992	1,220,216	17,169	1,258,377	1,375,272
Net income/(expenditure)		33,701	(135,692)	203	(101,788)	(142,735)
Transfers between funds	16	(45,784)	59,452	(13,668)	-	-
Net movement in funds before other recognised gains/(losses)		(12,083)	(76,240)	(13,465)	(101,788)	(142,735)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(116,000)	-	(116,000)	144,000
Net movement in funds	16	(12,083)	(192,240)	(13,465)	(217,788)	1,265
Reconciliation of funds:						
Total funds brought forward		12,083	(472,000)	56,047	(403,870)	(405,135)
Net movement in funds		(12,083)	(192,240)	(13,465)	(217,788)	1,265
Total funds carried forward	16	-	(664,240)	42,582	(621,658)	(403,870)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 44 form part of these financial statements.

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Balance Sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	35,777	50,379
Current assets			
Debtors	14	44,281	56,651
Cash at bank and in hand		23,637	4,045
		<u>67,918</u>	<u>60,696</u>
Creditors: amounts falling due within one year	15	(63,353)	(42,945)
Net current assets		<u>4,565</u>	<u>17,751</u>
Total assets less current liabilities		<u>40,342</u>	<u>68,130</u>
Defined benefit pension scheme liability	21	(662,000)	(472,000)
Total net assets		<u>(621,658)</u>	<u>(403,870)</u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	16	42,582	56,047
Restricted income funds	16	(2,240)	-
		<u>40,342</u>	<u>56,047</u>
Restricted funds excluding pension asset	16	40,342	56,047
Pension reserve	16	(662,000)	(472,000)
Total restricted funds	16	<u>(621,658)</u>	<u>(415,953)</u>
Unrestricted income funds	16	-	12,083
Total funds		<u>(621,658)</u>	<u>(403,870)</u>

The financial statements on pages 22 to 44 were approved by the trustees, and authorised for issue on and are signed on their behalf, by:



M. Blackburn
(Chair of Trustees)



M. Palmer
(Trustee and Accounting Officer)

Date: 2 December 2019

The notes on pages 25 to 44 form part of these financial statements.

St. Laurence in Thanet Church of England Junior Academy
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	3,070	(63,111)
Cash flows from investing activities	19	16,522	(2,332)
Change in cash and cash equivalents in the year		19,592	(65,443)
Cash and cash equivalents at the beginning of the year		4,045	69,488
Cash and cash equivalents at the end of the year	20	<u>23,637</u>	<u>4,045</u>

The notes on pages 25 to 44 form part of these financial statements

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

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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 trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

The Balance sheet shows a net liability position when including the Local Government Pension Scheme liability. As stated in note 21, 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.

Following the in-year revenue deficit during 2018/19 the trust has negative revenue reserves at 31 August 2019 of £2,240. A small surplus is currently predicted for 2019-20. The weak reserves position has arisen for the following reasons:

- low pupil numbers in Year 4 have resulted in a drop in GAG funding of £87,776;
- the main Infant feeder schools' numbers are dropping influencing Year 3 admissions;
- incorrect data from the LEA resulting in two new schools being built in the local vicinity impacting on admissions at main feeder infant school which in turn has impacted on Year 3 admissions.

The academy trust is taking the following actions to return these funds to surplus:

- two experienced teachers have been replaced by a NQT and the Assistant Head working an additional day (saving approximately £30,000)
- further staff and service cost savings planned by the end of the academic year 2019-20 to the value of, at least, £50,000.
- the school is in talks with Canterbury Diocese, Ellington Infants School (its main feeder Infant School) to look at viable plans for the future for both schools. A feasibility study has been completed and funding for these plans to go ahead will be reviewed by the Local Authority in March.
- the Headteacher has met with the Canterbury Diocese and the RSC about the possibility of low roll funding. This will need to go to the Schools Forum for approval.

After giving consideration to the above and forecasts for the coming twelve months the trustees have concluded that the trust remains a going concern.

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

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

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

The academy operates from land and buildings of which the freehold is owned by the Diocese of Canterbury. The academy occupies the property under the terms of a Church Supplemental Agreement with the freehold owners. In considering the accounting treatment of these properties the trustees have considered the provisions of the Academies Accounts Direction (AAD). Guidance in the AAD has now clarified that where a Supplemental Agreement is in place then the trust does not have full rights or control, such that any asset should not be recognised on the Balance Sheet.

Per the AAD the rolling right to occupy the building could be recognised in the financial statements via a notional donation (since it pays no actual rent) with a corresponding notional rental expense for its use of the premises. The value of the donation would be the amount that the academy trust would otherwise have had to pay to secure premises, however since the trustees feel that this cannot be reliably measured, and in accordance with the AAD, no donation or rental expense have been recognised.

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

Depreciation is provided on the following bases:

Furniture and equipment	- 10% straight line
Computer equipment	- 33.33% 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.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 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.

1.9 Liabilities

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

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

1. Accounting policies (continued)

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases 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 14. 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 cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by £16k, reflected as a past service cost, within staff costs, and detailed in note 21.

There will also be an increase in the cost of benefits from 1 September 2019.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 21. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds - class ii 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	7,418	-	7,418	33,175
Capital grants	-	17,372	17,372	6,768
	<u>7,418</u>	<u>17,372</u>	<u>24,790</u>	<u>39,943</u>
<i>Analysis of 2018 total by fund</i>	<u>33,175</u>	<u>6,768</u>	<u>39,943</u>	

4. Funding for the academy trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	881,657	881,657	955,022
Other DfE/ESFA grants	-	177,752	177,752	168,448
	<u>-</u>	<u>1,059,409</u>	<u>1,059,409</u>	<u>1,123,470</u>
Other government grants				
Local authority grants	-	25,115	25,115	19,173
	<u>-</u>	<u>25,115</u>	<u>25,115</u>	<u>19,173</u>
Other funding				
Educational visits	21,485	-	21,485	22,000
Catering	56	-	56	1,901
Other	24,269	-	24,269	24,166
	<u>45,810</u>	<u>-</u>	<u>45,810</u>	<u>48,067</u>
	<u>45,810</u>	<u>1,084,524</u>	<u>1,130,334</u>	<u>1,190,710</u>
<i>Analysis of 2018 total by fund</i>	<u>48,067</u>	<u>1,142,643</u>	<u>1,190,710</u>	

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For the Year Ended 31 August 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	1,465	1,465	1,884

All income from other trading activities in the prior year related to unrestricted funds.

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total funds 2018 £
Educational operations:					
Direct costs	784,818	-	87,936	872,754	985,464
Allocated support costs	238,167	-	147,456	385,623	389,808
	<u>1,022,985</u>	<u>-</u>	<u>235,392</u>	<u>1,258,377</u>	<u>1,375,272</u>
<i>Analysis of 2018 total</i>	<u>1,095,628</u>	<u>68,688</u>	<u>210,956</u>	<u>1,375,272</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	20,992	1,237,385	1,258,377	1,375,272
<i>Analysis of 2018 total by fund</i>	<u>25,020</u>	<u>1,350,252</u>	<u>1,375,272</u>	

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Notes to the Financial Statements
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8. Analysis of expenditure by activities

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	872,754	385,623	1,258,377	1,375,272
<i>Analysis of 2018 total</i>	<i>985,464</i>	<i>389,808</i>	<i>1,375,272</i>	

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	238,167	239,003
Premises costs	68,098	73,588
Other support costs	71,958	67,817
Governance costs	7,400	9,400
	385,623	389,808

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	17,384	18,026
Depreciation of tangible fixed assets	15,452	19,282
Fees paid to auditors for:		
- audit	7,595	7,400
- other services	4,100	2,000

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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	757,879	811,192
Social security costs	62,247	65,200
Pension costs	202,859	216,596
	<u>1,022,985</u>	<u>1,092,988</u>
Agency staff costs	-	840
Staff restructuring costs	-	1,800
	<u>1,022,985</u>	<u>1,095,628</u>

Staff restructuring costs comprise:

Severance payments	-	1,800
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b. Staff numbers

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

	2019 No.	2018 No.
Management	4	4
Teachers	10	11
Administration and support	23	27
	<u>37</u>	<u>42</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and 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 £179,751 (2018 - £174,604).

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

11. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
M. Palmer, Principal and Accounting Officer	Remuneration	60,000 - 65,000	60,000 - 65,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
D. Harvey, Staff Trustee	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2019, no trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

13. Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2018	88,560	81,228	169,788
Additions	850	-	850
At 31 August 2019	89,410	81,228	170,638
Depreciation			
At 1 September 2018	43,747	75,662	119,409
Charge for the year	11,203	4,249	15,452
At 31 August 2019	54,950	79,911	134,861
Net book value			
At 31 August 2019	34,460	1,317	35,777
At 31 August 2018	44,813	5,566	50,379

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Notes to the Financial Statements
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14. Debtors

	2019	<i>2018</i>
	£	<i>£</i>
Other debtors	10,628	<i>10,039</i>
Prepayments and accrued income	33,653	<i>46,612</i>
	<u>44,281</u>	<u><i>56,651</i></u>

15. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£	<i>£</i>
Trade creditors	51,360	<i>23,454</i>
Other creditors	278	<i>-</i>
Accruals and deferred income	11,715	<i>19,491</i>
	<u>63,353</u>	<u><i>42,945</i></u>

	2019	<i>2018</i>
	£	<i>£</i>
Deferred income at 1 September 2018	6,751	<i>-</i>
Resources deferred during the year	-	<i>6,751</i>
Amounts released from previous periods	(6,751)	<i>-</i>
	<u>-</u>	<u><i>6,751</i></u>

The deferred income in the prior year related to trip income received in advance for the following academic year plus some rates relief.

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

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General fund	12,083	54,693	(20,992)	(45,784)	-	-
Restricted general funds						
General Annual Grant (GAG)	-	881,656	(943,348)	59,452	-	(2,240)
Other DfE/ESFA grants	-	177,753	(177,753)	-	-	-
Other government grants	-	25,115	(25,115)	-	-	-
Pension reserve	(472,000)	-	(74,000)	-	(116,000)	(662,000)
	<u>(472,000)</u>	<u>1,084,524</u>	<u>(1,220,216)</u>	<u>59,452</u>	<u>(116,000)</u>	<u>(664,240)</u>
Restricted fixed asset funds						
Fixed assets	50,379	-	(15,452)	850	-	35,777
DfE/ESFA capital grants	5,668	17,372	(1,717)	(14,518)	-	6,805
	<u>56,047</u>	<u>17,372</u>	<u>(17,169)</u>	<u>(13,668)</u>	<u>-</u>	<u>42,582</u>
Total Restricted funds	<u>(415,953)</u>	<u>1,101,896</u>	<u>(1,237,385)</u>	<u>45,784</u>	<u>(116,000)</u>	<u>(621,658)</u>
Total funds	<u><u>(403,870)</u></u>	<u><u>1,156,589</u></u>	<u><u>(1,258,377)</u></u>	<u><u>-</u></u>	<u><u>(116,000)</u></u>	<u><u>(621,658)</u></u>

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

(i) General Annual Grant (GAG) must be used for the normal running costs of the academy trust. The transfers into this fund comprise £45,784 from the general unrestricted fund to cover the in-year GAG deficit together with a transfer of £13,668 from the restricted fixed asset fund to correct the closing position on capital carried forward.

(ii) The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE and includes Pupil Premium.

(iii) The other government grants fund is used to track grants provided by government departments.

(iv) The pension reserve deficit is a restricted fund to account for the Local Government Pension Scheme liability.

(v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

16. Statement of funds (continued)

The academy trust is carrying a net deficit of £2,240 on restricted general funds (excluding pension reserve) plus unrestricted funds. The reasons for this position arising and the action the academy trust is taking to return these funds to surplus is explained in the going concern accounting policy 1.2.

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General fund	71,304	83,126	(25,020)	(117,327)	-	12,083
Restricted general funds						
General Annual Grant (GAG)	-	955,022	(1,064,349)	109,327	-	-
Other DfE/ESFA grants	-	168,448	(168,448)	-	-	-
Other government grants	-	19,173	(19,173)	-	-	-
Pension reserve	(537,000)	-	(79,000)	-	144,000	(472,000)
	<u>(537,000)</u>	<u>1,142,643</u>	<u>(1,330,970)</u>	<u>109,327</u>	<u>144,000</u>	<u>(472,000)</u>
Restricted fixed asset funds						
Fixed assets	60,561	-	(19,282)	9,100	-	50,379
DfE/ESFA capital grants	-	6,768	-	(1,100)	-	5,668
	<u>60,561</u>	<u>6,768</u>	<u>(19,282)</u>	<u>8,000</u>	<u>-</u>	<u>56,047</u>
Total Restricted funds	<u>(476,439)</u>	<u>1,149,411</u>	<u>(1,350,252)</u>	<u>117,327</u>	<u>144,000</u>	<u>(415,953)</u>
Total funds	<u>(405,135)</u>	<u>1,232,537</u>	<u>(1,375,272)</u>	<u>-</u>	<u>144,000</u>	<u>(403,870)</u>

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Notes to the Financial Statements
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	35,777	35,777
Current assets	61,113	6,805	67,918
Creditors due within one year	(63,353)	-	(63,353)
Provisions for liabilities and charges	(662,000)	-	(662,000)
Total	(664,240)	42,582	(621,658)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	50,379	50,379
Current assets	12,083	42,945	5,668	60,696
Creditors due within one year	-	(42,945)	-	(42,945)
Provisions for liabilities and charges	-	(472,000)	-	(472,000)
Total	12,083	(472,000)	56,047	(403,870)

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18. Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(101,788)	(142,735)
Adjustments for:		
Depreciation	15,452	19,282
Capital grants from DfE and other capital income	(17,372)	(6,768)
Defined benefit pension scheme cost less contributions payable	62,000	66,000
Defined benefit pension scheme finance cost	12,000	13,000
Decrease in debtors	12,370	33,437
Increase/(decrease) in creditors	20,408	(45,327)
Net cash provided by/(used in) operating activities	3,070	(63,111)

19. Cash flows from investing activities

	2019	2018
	£	£
Purchase of tangible fixed assets	(850)	(9,100)
Capital grants from DfE Group	17,372	6,768
Net cash provided by/(used in) investing activities	16,522	(2,332)

20. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	23,637	4,045
Total cash and cash equivalents	23,637	4,045

21. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 Kent County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Notes to the Financial Statements
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21. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the year amounted to £78,000 (2018 - £79,000).

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

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

Scheme Changes

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

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

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

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21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £64,000 (2018 - £75,000), of which employer's contributions totalled £50,000 (2018 - £58,000) and employees' contributions totalled £14,000 (2018 - £17,000). The agreed contribution rates for future years are 20 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy 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

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30

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

	2019	2018
	Years	Years
Retiring today		
Males	22.1	23.1
Females	24.0	25.2
Retiring in 20 years		
Males	23.7	25.3
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(33)	(27)
Discount rate -0.1%	34	28
Mortality assumption - 1 year increase	57	42
Mortality assumption - 1 year decrease	(55)	(40)
CPI rate +0.1%	29	24
CPI rate -0.1%	(29)	(23)

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21. Pension commitments (continued)

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

	At 31 August 2019 £	<i>At 31 August 2018 £</i>
Equities	605,000	550,000
Gilts	6,000	6,000
Corporate bonds	80,000	72,000
Property	104,000	100,000
Cash and other liquid assets	24,000	25,000
Asset backed securities	69,000	55,000
Total market value of assets	888,000	808,000

The actual return on scheme assets was £38,000 (2018 - £32,000).

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

	2019 £	<i>2018 £</i>
Current service cost	(96,000)	(124,000)
Past service cost	(16,000)	-
Interest income	22,000	19,000
Interest cost	(34,000)	(32,000)
Total amount recognised in the Statement of Financial Activities	(124,000)	(137,000)

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

	2019 £	<i>2018 £</i>
At 1 September	1,280,000	1,241,000
Current service cost	96,000	124,000
Past service costs	16,000	-
Interest cost	34,000	32,000
Employee contributions	14,000	17,000
Actuarial losses/(gains)	132,000	(131,000)
Benefits paid	(22,000)	(3,000)
At 31 August	1,550,000	1,280,000

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21. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019	2018
	£	£
At 1 September	808,000	704,000
Interest income	22,000	19,000
Actuarial gains	16,000	13,000
Employer contributions	50,000	58,000
Employee contributions	14,000	17,000
Benefits paid	(22,000)	(3,000)
At 31 August	888,000	808,000

22. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	4,967	20,032
Later than 1 year and not later than 5 years	1,792	5,263
	6,759	25,295

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.

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24. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place during the year:

Expenditure related transactions

The Canterbury Diocesan Board of Finance (company no. 00145650) - a connected body with the academy since it is owned and controlled by the The Canterbury Diocese, a member of the trust.

During the year the trust made contributions of £1,700 (2018: £14,589) to the The Canterbury Diocesan Board of Finance for services it receives associated with securing the academy trust's religious character and ethos. In previous years this payment has been based on a percentage of the academy trust's income. However for 2018-19 The Canterbury Diocesan Board of Finance have waived the majority of the fee and charged just £850 per quarter from March 2019. The academy trust owed £850 (2018: £nil) to The Canterbury Diocesan Board of Finance as at 31 August 2019.

These transactions were conducted without the exercise of influence by the related party involved. In entering into these transactions the trust has fully complied with the requirements of the ESFA's Academies Financial Handbook, and in accordance with clause 5.56 of the 2018 AFH it was deemed that only the diocesan company could provide these services and, therefore, it was determined that the 'at cost' requirements of the AFH had been met.

Income related transaction

£5,000 was received from the school Parent Teacher Friends Association towards the operating costs of the school minibus.

25. Controlling party

The academy trust is run by the Senior Leadership Team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.