

REGISTERED COMPANY NUMBER: 09058698 (England & Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2018**

for

Lindley Church of England Infant School



Paylings

Lindley Church of England Infant School

Contents of the Financial Statements for the Year Ended 31 August 2018

	Page
Reference and Administrative Details	1 – 2
Trustees' Report	3 – 10
Governance Statement	11 – 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 – 20
Independent Reporting Accountants Report on Regularity	21 - 22
Statement of Financial Activities incorporating income and Expenditure account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Cash Flow Statement	26
Notes to the Financial Statements, incorporating Statement of Accounting Policies Other notes to the financial statements	27 – 42

Lindley Church of England Infant School

Reference and Administrative Details for the Year Ended 31 August 2018

MEMBERS

K. Jones
I.H.F. Gibbs
C.R. Wilson
Rev. R.N. Firth
B. Black

TRUSTEES

I.H.F. Gibbs (Chair, Business and Community Governor)*
C.R. Wilson (Vice Chair, Foundation)*
N.D. Beaumont (Head teacher)*
A.A. Firth (Teacher governor)*
J.L. Balmforth (Staff governor)
Rev. R.N. Firth (Foundation, ex officio)
K.E. Chamberlain (Foundation)
C.L. Coupland (Foundation)
M.Y. Shire (Foundation)
B. Black (Foundation)
A.J. Hamilton (Parent)*
R Jowett (Parent)*
S.Smith (Foundation)*
L. Burke (Foundation)
S. Potts (Parent) – (appointed 26/3/18)

* members of the Resources Committee

SENIOR LEADERSHIP TEAM

N.D. Beaumont, Headteacher
A.A. Firth, Deputy Headteacher
A. O'Brien, Assistant Headteacher & SEN
H. Calland, Early Years Co-ordinator
R. Wilson, Year 1 Co-ordinator
K. Morrison, Year 2 Co-ordinator

REGISTERED OFFICE

East Street
Lindley
Huddersfield
HD3 3NE

REGISTERED COMPANY NUMBER

09058698 (England and Wales)

AUDITORS

Paylings
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
WF1 2UY

Lindley Church of England Infant School**Reference and Administrative Details for the Year Ended 31 August 2018****SOLICITORS**

Browne Jacobson
3 Piccadilly Place
Manchester
M1 3BN

BANKERS

Lloyds Bank
Westgate Huddersfield Branch
PO Box 1000
BX1 1LT

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4-7 serving a catchment area in North Huddersfield. It has a pupil capacity of 360 and had a roll of 359 in the school census on 4 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Lindley Church of England Infant School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lindley Church of England Infant School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees Indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the academy trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust. The limit of this liability is £5,000,000.

Method of recruitment and appointment or election of trustees'

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms set out in the Articles of Association.

The five trustees are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation. Governors are appointed by Members.

Governors are appointed as and when vacancies occur or when individuals with the skills required are identified. Parent Governors shall be elected by parents of the registered pupils at the academy trust, using the procedures set out in the Articles of Association. The Secretary of State retains the power to appoint additional Governors.

The Foundation Governors are nominated to the Governing Body and from recommendations made by the PCC of Stephen's Church under the arrangements of Diocese Leeds.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re-elected.

The Governors who are in office as at 31 August 2018 are listed on page 1.

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of trustees'

Training and induction for new Governors is given on an individual basis and as soon as possible after appointment. Governors will be invited to a meeting with the Headteacher and given a copy of the Induction Policy for Governors which includes a checklist of activities and information.

All new Governors are given access to copies of key documents and information that they need to undertake their role. They will be given a named contact of an existing governor who will be available for mentoring support and guidance.

The Academy buys into the Governor Learning and Development Package (GLAD) through Kirklees where Governors can access induction training and attend additional training throughout the year.

A Governor skills audit was completed in 2016/17 and training as appropriate was organised for Governors.

Organisational structure

The Academy Trust began trading on 1 July 2014 and has developed a governance and management structure deemed appropriate to the Academy Trust's constitution and objects. The academy trust's organisational structure consists of the Governors, the Senior Management Team, Middle Leaders including Teachers and Support staff.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the academy trust, approving major items of expenditure and making senior staff appointments.

The Governing Body operates a committee structure reporting to the main Governing Body. The three core Committees meet each half term and include Resources, Standards and Effectiveness and Christian Values and Worship. All committees have approved terms of reference.

During the course of the period from 1 September 2017 to 31 August 2018 the full Governing Body met 6 times.

The Governors have approved a scheme of financial delegation which clearly sets out the level of authority delegated to the Headteacher and School Business Manager.

The Senior Leadership Team (SLT) manages the academy trust at an executive level, implement the policies laid down by Governors and report back to them. The SLT is led by the Headteacher who is the academy trust's Accounting Officer. Members of the SLT are responsible for developing and implementing academy trust plans that seek to deliver the best possible outcomes for its students within the agreed budget and scheme of delegation approved by Governors, Members of the SLT are set out on page 1.

The administration team including the School Business Manager are responsible for supporting health and safety, premises, resource management, HR infrastructure and financial management.

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The academy adopts Kirklees pay policy on an annual basis. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD). Pay decisions are made by the Governing Body which has delegated certain responsibilities and decision making powers to the Resources Committee. The Resources Committee shall be responsible for the establishment and review of the pay policy, subject to the approval of the Governing Body, and shall have full authority to take pay decisions on behalf of the Governing Body in accordance with the pay policy. The head teacher shall be responsible for advising the Pay Committee on its decisions. Decisions regarding pay progression will be made with reference to the teachers' performance management reports and the pay recommendations they contain. The Governing Body will ensure that each teacher's salary is reviewed annually with effect from 1 September. Each teacher would usually be notified of the outcome by no later than 31 October, the Headteacher usually no later than 31 December each year. All teachers will receive a written statement setting out their salary and any other financial benefits to which they are entitled.

Related parties and other connected charities and organisations

The school is connected to the Diocese of Leeds by its nature as a Church of England School.

OBJECTIVES AND ACTIVITIES

Objectives and aims

As set out in the Articles of Association, the academy trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum (the "Academy") conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice of the Diocesan Board of Education.

Aims:

- Through a strong set of Christian values, children and adults are encouraged to respect themselves. They are taught to respect the rights and needs of others, thereby equipping them with the skills and attitudes to become successful global citizens of the future.
- To support children in developing a reflective approach to life and sensitivity to all God's creation by providing an awareness and experience of the living Christian faith through our strong Christian ethos.
- To support all children in reaching their full potential by providing a personalised education.
- To treat everyone with equality and fairness.
- To have high expectations in a secure, friendly and caring atmosphere that rejoices in effort and success but where it is safe to make mistakes.
- To provide children with excellent learning experiences ensuring that learning is fun and exciting.
- To promote the health and well-being of our pupils and staff through a well-planned, creative curriculum in an environment that promotes healthy lifestyle choices.
- To encourage and value the contributions that adults make to the education and care of our children.
- Through our firm Christian foundation we encourage the school and wider community to work together in partnership, promoting community cohesion whilst strengthening and enriching the life of school.

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

Objectives, strategies and activities

The Governors' Strategic Plan sets out the actions for the Governors to deliver in their key role of setting the strategic direction of the School and monitoring achievements against the objective of continuous improvement. It provides a foundation for the annual School Development Plan, which is formulated by the Headteacher and school staff and covers detailed improvements.

Monitoring of the School Development Plan is in accordance with the Monitoring and Evaluation Policy. Progress on the development plan is a regular agenda item at senior leadership and staff meetings, as well as with governors meetings at both full governing body meetings and committee meetings. Progress is indicated as Fully/Partially achieved and progress is detailed at the bottom of each individual target. Designated members of staff have responsibility to implement specific areas on the plan. Outcomes are reported to the Headteacher, who in turn informs governors of progress through the Headteacher's termly report and at every governors meeting as a set agenda item. At the end of the year the reviewed plan feeds into the school self-evaluation to highlight strengths and identify next development points.

Public Benefit

The Academy provides educational services to children in the local area. The trustees confirm that they have complied with the Charities Regulations 2008 to report those activities undertaken to further the charity's purpose and have paid due regard to the Charity Commission guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

The total number of students in the year ending 31 August 2018 was 360. The school has a PAN of 120 and is full with a waiting list for every year group. The school is heavily oversubscribed. There were 314 applications for September 2018 with 151 being first preference. There are no mixed age classes with 4 classes in each year group. Each Reception Class has a full time teaching assistant.

Overall Effectiveness

- The effectiveness of leadership and management remains outstanding which results in outstanding teaching, learning and assessment. This is because robust audit systems have accurately identified areas for improvement and appropriate actions have had the necessary impact. Consequently, end of EYFS data, KS1 data and in-school tracking data clearly evidence that the proportion of pupils making better than expected progress from ALL starting points is high and in all cases attainment is above national average.
- Pupils' personal development and welfare is outstanding, primarily evidenced through pupils' exceptionally strong attitudes to learning in school and the high priority placed upon personal development and well-being, which results in such very young children taking an active role in school improvement.
- The school successfully promotes pupils' Spiritual, Moral, Social and Cultural development widely, supported by our exceptionally strong Christian ethos, embedded within the new curriculum and encompassed into almost all lessons.
- Safeguarding is highly effective, evidenced by school records and particularly the views of pupils and their parents, staff and governors.

EYFS Data

Children make rapid and sustained progress through the early years. Pupils enter early years with skills broadly typical for their age. A high proportion of pupils attain at least age related expectations in the Early Learning Goals. By the end of early years they are achieving above both LA and national averages in all areas.

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

STRATEGIC REPORT (continued)

Achievement and performance

Charitable activities

Early Years Foundation Stage Results – Areas of Learning Summary

All Pupils		School numbers	School %				Kirklees LA %				National %			
		Cohort	1	2	3	2+	1	2	3	2+	1	2	3	2+
Prime Areas	Communication and Language	120	9.2	71.7	19.2	90.8	18.8	67.3	13.9	81.2	17.6	67.1	15.3	82.4
	Physical Development	120	5.0	79.2	15.8	95	13.7	73.9	12.4	86.3	12.6	74.2	13.2	87.4
	Personal, social & emotional Development	120	5	80.8	14.2	95	13.9	75.8	10.2	86.1	14.8	74.8	10.4	85.2
Specific Areas	Literacy	120	18.3	60.8	20.8	81.7	29.1	60.5	10.4	70.9	26.7	63	10.3	73.3
	Mathematics	120	15	60	25	85	23.8	63.2	13	76.2	21.6	65.5	12.9	78.4
	Understanding the World	120	9.2	74.2	16.7	90.8	16.6	76	7.4	83.4	16	75.4	8.5	84
	Expressive Arts and Design	120	3.3	74.2	22.5	96.7	13.5	75.4	11.1	86.5	12.8	74.7	12.4	87.2

In July 2018 79.2% of pupils achieved a good level of development and this shows an improving trend over 3 years and is above the LA and national average.

Early Years Foundation Stage Results – Good Level of Development

All Pupils	School numbers			School %			Kirklees LA %			National %		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
	120	118	120	75	78.8	79.2	66.8	68.2	69.4	69.3	71	71.6

Phonics Screening

In June 2018, 120 Year 1 pupils took the phonics screening test. 85% of pupils passed the test. This is above the National and LA average.

Key Stage 1 Data

At all levels in all subjects, children's attainment at the end of KS1 in 2018 was significantly higher than the national average.

		<EXS	EXS+	GDS
Reading	School	8.3	91.7	33.3
	LA	27.6	72.4	22.9
	National	24.6	75.4	25.6
	Difference (School v national)		+16.3	+7.7
Writing	School	18.3	81.7	24.2
	LA	33	67	13
	National	30.1	69.9	15.9
	Difference (School v national)		+11.8	+8.3
Mathematics	School	11.7	88.3	30
	LA	26.7	73.3	19
	National	23.9	76.1	21.8
	Difference (School v national)		+12.2	+8.2

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

STRATEGIC REPORT (continued)

Achievement and performance

Awards

The school has received the following awards:

- NACE challenge award in November 2014 (re-accreditation due January 2019)
- RE Quality Mark in July 2017 (re-accreditation)
- Investors in pupils award in September 2016 (re-accreditation)
- Fairtrade fairaware award in July 2017

Building and Premises

In August 2018, all the toilets in school were completely refurbished. In addition, the following works have been completed:

- Door entry system.
- Installation of electric meter.
- Re-develop area behind Class 6 playground.
- Tarmacing of designated areas.
- Installation of fire door by stage.
- External door by Class 6 replaced.

Going concern

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

Key performance indicators

OFSTED & SIAMS

The school is judged by both OFSTED and SIAMS to be outstanding.

The most recent OFSTED inspection was in December 2007.

The most recent SIAMS inspection was October 2017.

Staffing ratio

The cost of staffing salaries as a proportion of the total expenditure (excluding capital works) of the Academy is 71.54% (2017: 72.3%).

Utility Costs

Utility costs per pupil (360Rec – Year 2) is £45.80 (2017: £48.52).

Attendance

In 2017-18 whole school attendance was 96.7%.

Financial review

These financial statements reflect a 12 month accounting period of operation. The majority of income received is obtained from the Department of Education (DfE), via the Educational and Skills Funding Agency (ESFA) in the form of recurrent General Annual Grant (GAG) funding, the use of which is restricted for the day to day running of the Academy. Total grants received from the EFA and the associated expenditure are shown as restricted funds in the statement of financial activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period the Academy received £1,572,082 of income (excluding fixed assets and pension liability), of which £1,290,435 was GAG funding. Other grants and income amounted to £281,647.

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

STRATEGIC REPORT (continued)

Financial review (continued)

Expenditure for the period totalled £1,708,670 (excluding depreciation), including £1,192,833 of staff related costs supporting the day to day running of the Academy Trust.

The excess total expenditure over total income during the period was £128,538 (excluding restricted fixed asset funds and pension deficit).

The academy trust also inherited the Local Government Pension Scheme (LGPS) liability of £264,000. The LGPS liability decreased from £425,000 to £352,000 as at the 31 August 2018. This is detailed in the notes to the financial statements.

Achievement and performance

As at 31 August 2018 the net book value of fixed assets is £2,748,107. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Reserves policy

The trustees review the reserve levels of the academy annually. The trustees take into consideration the future plans of the Academy, future income streams and commitments, and other key risks identified during the risk review.

The trustees anticipate utilising reserves to maintain educational standards, provide a contingency to deal with unexpected emergencies such as urgent maintenance and to support future strategic initiatives within the Academy.

Investment policy

There is no material investments held by the Academy, funds are currently held in a current account. The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations. During the year, consideration will be given to investing free reserves to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas; and its finances.

The academy has agreed a risk management policy, and a risk register is in place. These have been discussed by Trustees and include the financial risks to the school. The register is reviewed in light of any new information and formally reviewed annually.

The Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance to cover. The academy has an effective system of internal financial controls.

Fundraising

At Lindley Church of England Infant School any charity fundraising is done in a way which protects the school's reputation and encourage public trust and confidence. For any fundraising activities, the trustees will ensure they are acting in the best interests of the school, managing the school's resources responsibly, which includes protecting and safeguarding its reputation and acting with reasonable care and skill. Any fundraising activity will always:

- Be planned effectively
- Protect the school's reputation, money and other assets
- Be open, transparent and accountable.

Lindley Church of England Infant School

Trustees' Report for the Year Ended 31 August 2018

STRATEGIC REPORT (continued)

Plans for future periods

The School will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The School will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The School will continue to develop economies of scale and secure wider educational benefits and opportunities from potential partnerships. The School will continue to work with partner schools to improve the educational opportunities for pupils in the wider community. The School plans to maintain class sizes with a teaching assistant in each class, which will reflect in academic outcomes being improved.

The identified School Improvement Priorities for 2018-19 are:

School Improvement Priorities 2018-19	
L&M	Collaborations & Partnerships Work to maintain/build existing and new partnerships with local schools, the local community and the Diocese.
Quality of teaching and learning	Metacognition To support teachers in enhancing classroom practice to improve pupils' metacognitive skills - their ability to plan, monitor and evaluate their own academic progress so they become better at learning and studying.
PD, B & Welfare	Person Centred Approach To put the child and their family at the heart of everything we do by involving them in the decisions that are made.
Outcomes for pupils	Vocabulary Breadth & Depth To reduce the attainment gap between PPG and non PPG pupils by developing a language rich curriculum by embedding the teaching of vocabulary.
Early years	Transition Develop relationships with and an agreed PVI Setting and agree a shared understanding of school readiness and a consistent approach to transition.

Full details of our plans for the future are given in our School Development Plan, which is available from the School office.

FUNDS HELD AS CUSTODIAN TRUSTEES ON BEHALF OF OTHERS

There are no funds held on behalf of others.

AUDITORS

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors on 3 December 2018 and signed on the board's behalf by:



Mr. I.H.F. Gibbs – Chair

Lindley Church of England Infant School

Governance Statement for the Year Ended 31 August 2018

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to Mrs. N. Beaumont, Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lindley Church of England Infant School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<i>Name of Governor</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Jan Balmforth	3	3
Nicola Beaumont	3	3
Kate Chamberlain	2	3
Claire Coupland	1	3
Rev Rachel Firth	2	3
Ian Gibbs	3	3
Andy Hamilton	3	3
Antonia Firth	1	3
Yolande Shire	3	3
Becky Black	3	3
Charles Wilson	2	3
Rachel Jowett	2	3
Sarah Smith	2	3
Lisa Burke	2	3
Kevin Jones	0	3
Stephanie Potts	1	2

Attendance at Resources Committee

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to provide support and challenge to the leadership of the school and to hold them to account in relation to the use of resources to support the priorities of the school including: the leadership of teaching and learning; the school budget; the employment and development of staff; the premises and health and safety.

<i>Name of Governor</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Nicola Beaumont	6	6
Ian Gibbs	6	6
Andy Hamilton	6	6
Antonia Firth	4	6
Charles Wilson	5	6
Rachel Jowett	4	6
Sarah Smith	6	6

Lindley Church of England Infant School

Governance Statement for the Year Ended 31 August 2018

Attendance at Standards and Effectiveness Committee

The Standards and Effectiveness committee is a sub-committee of the main board of trustees. Its purpose is to provide support and challenge to the leadership of the school and to hold them to account in relation to the quality of educational provision including: the quality of teaching and learning; pupils progress and outcomes for pupils; the quality of the curriculum provision and delivery; behaviour and safety of pupils.

<i>Name of Governor</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Jan Balmforth	6	6
Nicola Beaumont	6	6
Kate Chamberlain	6	6
Rev Rachel Firth	3	6
Antonia Firth	4	6
Yolande Shire	5	6
Becky Black	5	6
Lisa Burke	4	6

Attendance at Christian Values and Worship Committee

The Christian Values and Worship committee is a sub-committee of the main board of trustees. Its purpose is to support, advise and challenge the Headteacher and the trustees on matters relating to the distinctiveness and effectiveness of Lindley Church of England Infant School as a church school and the impact which this has on the pupils and whole school community.

<i>Name of Governor</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Nicola Beaumont	6	6
Kate Chamberlain	4	6
Rev Rachel Firth	4	6
Antonia Firth	4	6
Becky Black	3	6
Claire Coupland	4	6
Sarah Smith	6	6
Lisa Burke	2	6

Attendance at Admissions Committee

The Admissions committee is a sub-committee of the main board of trustees. Its purpose is to implement the trustee's admissions policy by taking decisions about the admission of, or refusal to admit, pupils to the school.

<i>Name of Governor</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Nicola Beaumont	1	1
Ian Gibbs	1	1
Andy Hamilton	1	1
Becky Black	1	1
Yolande Shire	1	1

Lindley Church of England Infant School

Governance Statement for the Year Ended 31 August 2018

Governance Review

A governor skills assessment was carried out in May 2017. The skills assessment was developed using a combination of NGA and other schools' skills assessments. The skills list was agreed by the governing body to represent the key areas of expertise required to be a successful governing body.

Self-assessment was completed and then peer reviewed with one or more fellow governor where calibration of self-assessments took place prior to 'rolling-up' into the overall view of skills and capability.

It was suggested that the following overall development plan is adopted:

Who		Specifics
All Governors	Governor Role Training	All governors should become familiar (through training) with the role and responsibility of a Governor
Staff Governors	Business operational knowledge	Finance, procurement/purchasing, facilities management, project management.
Foundation/parent	Education knowledge	Policies, Curriculum, OFSTED requirements, Special Educational Needs.

The next Governing Body skills audit will be carried out in May 2019.

A Governor Effectiveness Audit was carried out in May 2018 to evaluate the effectiveness of the Governing Body and an action plan drawn up with actions identified for specific committees.

Review of Value for Money

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

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

- Appointment of a cover supervisor role to reduce cover costs and provide focused time for teachers to carry out leadership activities, including monitoring activities, SEN responsibilities, Curriculum Co-ordinator role and CPD.
- Installation of an electricity meter to separate readings for Lindley CE Infant School and Lindley Junior school. This gives a true reading of how much electricity is being used rather than using an arbitrary calculation based on pupil numbers.
- Improvement to school toilets have been an investment in pupil well-being.
- Review of roles and responsibilities within the administration team after a member of staff left in December 2017. The role was not replaced as is but the whole team was reviewed to ensure all responsibilities were covered and appropriate training put in place to ensure staff were confident in their new roles.

Lindley Church of England Infant School

Governance Statement for the Year Ended 31 August 2018

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lindley Church of England Infant School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity of Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function. From 1 September 2017 the internal audit function was carried out by Mrs V Wood, Director of Finance and Resources, Salendine Nook High School.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included, but not limited to:

- Ensuring effective systems and procedures are in place so accurate and informative management accounts are produced
- Testing of payroll systems
- Testing of purchases systems
- Testing of VAT

The internal audit was carried out over 2 visits during the academic period as planned, a report was produced on each visit setting out the work that had been completed. There were no material control issues found during the internal audits.

Through a system of internal control with the internal auditors, reports have been made through the Resources committee on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities.


Lindley Church of England Infant School**Governance Statement for the Year Ended 31 August 2018****Review of Effectiveness**

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

- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:


.....

Mr. I H F Gibbs – Chair


.....

Mrs N. Beaumont – Accounting Officer

Lindley Church of England Infant School**Statement on Regularity, Propriety and Compliance for the Year Ended 31 August 2018**

As accounting officer of Lindley Church of England Infant School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2017.

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



.....
Mrs. N. Beaumont – Accounting Officer

Date: 3 December 2018

Lindley Church of England Infant School

Statement of Trustees' Responsibilities for the Year Ended 31 August 2018

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 those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgements 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 3 December 2018 and signed on its behalf by:



.....
Mr. I H F Gibbs – Chair

Independent Auditors Report on the Financial Statements to the Members of
Lindley Church of England Infant School
For the year ended 31 August 2018

We have audited the financial statements of Lindley Church of England Infant School for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent Auditors Report on the Financial Statements to the Members of

Lindley Church of England Infant School

For the year ended 31 August 2018

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 Report of Trustee's for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustee's has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee's determine is necessary to enable to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors Report on the Financial Statements to the Members of

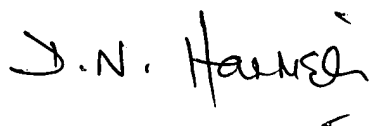
Lindley Church of England Infant School

For the year ended 31 August 2018

Our responsibilities for the audit of the financial statements

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

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



D.N. Harrison FCCA
For and on behalf of Paylings
Chartered Accountants & Registered Auditors
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
WF1 2UY

Date: 3 December 2018

**Independent Reporting Accountant's Assurance Report on Regularity to
Lindley Church of England Infant School and the Education Funding Agency**

For the year ended 31 August 2018

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

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

Respective responsibilities of Lindley Church of England Infant School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lindley Church of England Infant School's funding agreement with the Secretary of State for Education dated 1 July 2014 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

**Independent Reporting Accountant's Assurance Report on Regularity to
Lindley Church of England Infant School and the Education Funding Agency**

For the year ended 31 August 2018

Continued

Approach (continued)

The work undertaken to draw to our conclusion includes:

- Confirmation that there are no new activities within the charitable company
- Analytical review of the activities of the academy trust
- Consideration of the evidence supporting the accounting officers statement
- Evaluation of the general control environment
- Assessment and testing of a sample of the specific control activities over regularity
- Confirmation that each item tested has been appropriately authorised in accordance with the charitable company's delegated authorities
- Formal representations obtained from the trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations, access to accounting records and provision of information and explanations
- A review of credit card expenses
- Consideration of related party transactions

Conclusion

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



Paylings
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
WF1 2UY

Dated: 3 December 2018

Lindley Church of England Infant School

Statement of Financial Activities for the year ended 31 August 2018.
(including Income and Expenditure Account)

	Notes	Unrestricted Fund £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	6,566	8,050	-	14,616	104,281
Charitable activities:						
Funding for the academy trust's educational operations	3	33,262	1,510,220	-	1,543,482	1,537,432
Other trading activities	4	13,598	-	-	13,598	5,646
Investments	5	386	-	-	386	318
Total		53,812	1,518,270	-	1,572,082	1,647,677
Expenditure on:						
Charitable activities:						
Academy trusts' educational operations	7	-	(1,522,659)	(91,110)	(1,613,769)	(1,550,028)
Other		(12,396)	(66,000)	-	(78,396)	(97,235)
Total	6,7	(12,396)	(1,588,659)	(91,110)	(1,692,165)	(1,647,263)
Net income/(expenditure)		41,416	(70,389)	(91,110)	(120,083)	414
Transfers between funds			(107,615)	107,615	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes		-	139,000	-	139,000	413,000
Net movement in funds		41,416	(39,004)	16,505	18,917	413,414
Reconciliation of funds						
Total funds brought forward	15	156,351	(269,247)	2,731,602	2,618,706	2,205,292
Total funds carried forward	15	197,767	(308,251)	2,748,107	2,637,623	2,618,706

Lindley Church of England Infant School

Balance Sheet at 31 August 2018

Company Number: 09058698

	Notes	2018 £	2017 £
Fixed Assets			
Tangible assets	11	2,748,107	2,731,602
Current Assets			
Stock	12	1,189	1,683
Debtors	13	30,618	87,038
Cash at bank and in hand		448,770	475,977
		<u>480,577</u>	<u>564,698</u>
Liabilities			
Creditors: Amounts falling due within one year	14	(239,061)	(252,594)
Net current assets		<u>241,516</u>	<u>312,104</u>
Total assets less current liabilities		2,989,623	3,043,706
Defined benefit pension scheme liability	21	(352,000)	(425,000)
Total net assets		<u>2,637,623</u> =====	<u>2,618,706</u> =====
Funds of the academy trust			
Restricted funds			
- Fixed asset fund		2,748,107	2,731,602
- General fund		43,749	155,753
- Pension reserve		(352,000)	(425,000)
Total unrestricted funds		<u>2,439,856</u>	<u>2,462,355</u>
Unrestricted income funds		<u>197,767</u>	<u>156,351</u>
Total funds	17	<u>2,637,623</u> =====	<u>2,618,706</u> =====

The financial statements were approved by the trustees and authorised for issue on 3 December 2018 and are signed on their behalf by:



Mr. I H F Gibbs – Chair

Lindley Church of England Infant School

Statement of Cash Flows for the Year Ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	1	71,972	(50,006)
Cash flows from financing activities	2	-	-
Cash flows from investment activities	3	(99,179)	(129,781)
Change in cash and cash equivalents in the reporting period		<u>(27,207)</u>	<u>(179,787)</u>
Cash and cash equivalents at 1 September 2017		475,977	655,764
Cash and cash equivalents at 31 August 2018		448,770	475,977

Lindley Church of England Infant School

Notes to the Cash Flow Statement for the Year Ended 31 August 2018

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2018	2017
	£	£
Net income/(expenditure) for the reporting period	(120,083)	414
Adjusted for:		
Depreciation (note 7)	91,110	83,532
Capital grants from DfE and other capital income	(8,050)	(93,493)
Interest received (note 5)	(386)	(318)
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme costs less contributions payable (note 20)	56,000	61,000
Defined benefit pension scheme finance cost (note 20)	10,000	15,000
(Increase)/decrease in stocks	494	(463)
(Increase)/decrease in debtors	56,420	5,414
Increase/(decrease) in creditors	(13,533)	(121,092)
Net cash provided by/(used in) operating activities	71,972	(50,006)
	=====	=====
2. Cash flows from financing activities	2018	2017
	£	£
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by/(used in) financing activities	-	-
	=====	=====
3. Cash flows from investing activities	2018	2017
	£	£
Dividends, interest and rents from investments	346	318
Proceeds from sale of tangible fixed assets	-	-
Purchase of fixed assets	(107,615)	(223,592)
Disposal of tangible fixed assets	-	-
Capital grants from DfE/ESFA	8,050	83,725
Capital funding received from sponsors and others	-	9,768
Net cash provided by (used in) investing activities	(99,179)	(129,781)
	=====	=====
4. Analysis of cash and cash equivalents	2018	2017
	£	£
Cash at bank and in hand	448,770	475,977
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	448,770	475,977
	=====	=====

Lindley Church of England Infant School

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, and the Charities Act 2011 and the Companies Act 2006.

Lindley Church of England Infant School meets the definition of public benefit under FRS102.

Going Concern

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

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.

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

1. STATEMENT OF ACCOUNTING POLICIES (continued)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets (excluding transfers on conversion/into the academy trust)**

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

- **Donated fixed assets on conversion**

The academy's land and buildings are on a 125 year lease from the Diocese of Leeds. No premium was paid and the rent is one peppercorn. The building was valued on conversion at depreciated replacement cost and is depreciated over the remainder of its expected life. Land was valued at market values and is not depreciated.

Other fixed assets transferred on conversion were valued at original cost less depreciation to the date of conversion.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provisions 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 useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the assets, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

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

Land occupied under licence	Nil
Buildings occupied under licence	over 50 years
Fixtures and fittings	10 years
Computer equipment	3 years

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

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any 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.

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.

Provisions

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

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

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

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

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Stock

Unsold book bags and water bottles are valued at the lower of cost or net realisable value.

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 the categories covered in 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.

Pensions Benefits

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

The TPS is an unfunded pension scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, TPS is a unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 charges, 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 of assets at the beginning of the period by rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

1. STATEMENT OF ACCOUNTING POLICIES (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed at note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement throughout the year.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Capital grants	-	8,050	8,050	93,493
Donated fixed assets	-	-	-	-
Other donations	6,566	-	6,566	10,788
	<u>6,566</u>	<u>8,050</u>	<u>14,616</u>	<u>104,281</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,290,435	1,290,435	1,287,009
DfE Capital Grant	-	-	-	-
Start up Grants	-	-	-	-
Other DfE/ESFA grants	-	186,110	186,110	203,821
Other	-	-	-	-
	<u>-</u>	<u>1,476,545</u>	<u>1,476,545</u>	<u>1,490,830</u>
Other Government grants				
Local authority grants	-	33,675	33,675	13,000
Special educational project	-	-	-	-
	<u>-</u>	<u>33,675</u>	<u>33,675</u>	<u>13,000</u>
Other income from the academy trust's educational operations				
	33,262	-	33,262	33,602
	<u>33,262</u>	<u>1,510,220</u>	<u>1,543,482</u>	<u>1,537,432</u>

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of facilities	1,901	-	1,901	2,171
Insurance income	6,810	-	6,810	777
Staff services consultancy	4,887	-	4,887	2,698
	<u>13,598</u>	<u>-</u>	<u>13,598</u>	<u>5,646</u>

5. INVESTMENT INCOME

	2018 £	2017 £
Short term deposits	386	318
	<u>386</u>	<u>318</u>

6. EXPENDITURE

	Staff Costs £	Non-pay expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
- Direct costs	722,291	-	31,812	754,103	737,445
- Allocated support costs	470,542	32,202	435,318	938,062	909,818
	<u>1,192,833</u>	<u>32,202</u>	<u>467,130</u>	<u>1,692,165</u>	<u>1,647,263</u>

Net income/(expenditure) for the period includes:

	2018 £	2017 £
Operating lease rentals	1,827	1,827
Depreciation	91,110	83,532
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	-	-
Fees payable to auditor for:		
- audit	7,075	7,250
- other services	1,254	3,995

Included within the expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason £
Compensation payments	20,000	20,000	loss of office

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

7. CHARITABLE ACTIVITIES

	Total 2018 £	Total 2017 £
Direct costs – educational operations	754,103	737,445
Support costs – educational operations	938,062	909,818
	<u>1,692,165</u>	<u>1,647,263</u>

	Educational Operations £	Total 2018 £	Total 2017 £
Support staff costs	470,542	470,542	442,582
Depreciation	91,110	91,110	83,532
Technology costs	25,330	25,330	20,076
Premises costs	32,200	32,200	35,736
Other support costs	233,567	233,567	228,071
Governance costs	85,313	85,313	99,821
	<u>938,062</u>	<u>938,062</u>	<u>909,818</u>

8. STAFF

a. Staff costs

Staff costs during the period were:

	Total 2018 £	Total 2017 £
Wages and salaries	920,966	872,623
Social security costs	73,404	68,059
Operating costs of defined benefit pension schemes	154,891	144,632
	<u>1,149,261</u>	<u>1,085,314</u>

Supply staff costs	23,572	45,978
Staff restructuring costs	-	-
	<u>23,572</u>	<u>45,978</u>

Staff restructuring costs comprise:

Redundancy payments	20,000	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>20,000</u>	<u>-</u>

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

8. STAFF (continued)

b. Non Statutory/non-contractual staff severance payments

There were no staff restructuring costs throughout the year (2017: £nil). One member of staff received £20,000 (2017: £nil) for loss of office.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	14	15
Administration and support	31	28
Management	3	2
	<hr/>	<hr/>
	48	45
	<hr/>	<hr/>

d. Higher paid staff

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

	2017/18 No.	2016/17 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £312,783 (2017: £333,403).

9. RELATED PARTY TRANSACTIONS – TRUSTEE’S 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:

N. Beaumont (principal and trustee);

Remuneration £70,000 - £75,000 (2017: £60,000 - £65,000)

Employer’s pension contribution £10,000 - £15,000 (2017: £10,000 - £15,000)

A. Firth (staff trustee):

Remuneration £50,000 - £55,000 (2017: £50,000 - £55,000)

Employer’s pension contribution £5,000 - £10,000 (2017: £5,000 - £10,000)

J. Balmforth (staff trustee):

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

Employer’s pension contribution £0 - £5,000 (2017: £0 - £5,000)

Other related parties involving trustees are set out in note 22.

During the period ended 31 August 2018, travel and subsistence expenses totalling £35.60 (2017: £220 reimbursed to one Trustee) was reimbursed to four trustee.

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

10. TRUSTEES AND OFFICERS INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2018 could not be determined (2017: £704). The cost of this insurance is included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Furniture and Fixtures £	Computer equipment £	Totals £
Costs				
At 1 September 2017	2,675,702	186,490	69,217	2,931,409
Additions	103,225	-	4,390	107,615
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	2,778,927	186,490	73,607	3,039,024
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2017	144,211	26,347	29,249	199,807
Charged in the year	51,702	18,650	20,758	91,110
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2018	195,913	44,997	50,007	290,917
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31 August 2018	2,583,014	141,493	23,600	2,748,107
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	2,531,491	160,143	39,968	2,731,602
	<hr/>	<hr/>	<hr/>	<hr/>

Included in land and buildings is £99,000 in respect of land which has not been depreciated.

12. STOCK	2018 £	2017 £
Water bottles and book bags	1,189	1,683
	<hr/>	<hr/>
13. DEBTORS	2018 £	2017 £
Trade debtors	654	524
VAT recoverable	6,299	36,749
Other debtors	-	-
Prepayments and accrued income	23,665	49,765
	<hr/>	<hr/>
	30,618	87,038
	<hr/>	<hr/>

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	-	82,164
Other taxation and social security	18,327	17,195
Other creditors	19,079	17,360
Accruals and deferred income	201,655	135,875
	<u>239,061</u>	<u>252,594</u>
Deferred Income		
Deferred income at 1 September 2017	87,651	80,444
Released from previous years	(87,651)	(80,444)
Resources deferred in the period	93,787	87,651
	<u>93,787</u>	<u>87,651</u>
Deferred income at 31 August 2018		

At the balance sheet date the academy trust was holding funds received in advance for £93,787 (2017: £87,651)

15. FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains Losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	155,753	1,290,435	(1,302,874)	(99,565)	43,749
Pupil Premium	-	40,963	(40,963)	-	-
Pension reserve	(425,000)	-	(66,000)	139,000	(352,000)
Other grants/income	-	178,822	(178,822)	-	-
	<u>(269,247)</u>	<u>1,510,220</u>	<u>(1,588,659)</u>	<u>39,435</u>	<u>(308,251)</u>
Restricted fixed asset funds					
Transfer on conversion	2,031,544	-	(42,460)	-	1,989,084
DfE/ESFA capital grants	592,846	8,050	(10,642)	(8,050)	582,204
Other	107,212	-	(38,008)	107,615	176,819
	<u>2,731,602</u>	<u>8,050</u>	<u>(91,110)</u>	<u>99,565</u>	<u>2,748,107</u>
Total restricted funds	<u>2,462,355</u>	<u>1,518,270</u>	<u>(1,679,769)</u>	<u>139,000</u>	<u>2,439,856</u>
Total unrestricted funds	<u>156,351</u>	<u>53,812</u>	<u>(12,396)</u>	<u>-</u>	<u>197,767</u>
Total funds	<u>2,618,706</u>	<u>1,572,082</u>	<u>(1,692,165)</u>	<u>139,000</u>	<u>2,637,623</u>

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

15. FUNDS (continued)

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

Restricted general funds

General Annual Grant – a grant received for the Academy's operational activities and development. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

DfE/ESFA grants – additional funding received from the DfE/ESFA for capital purposes.

Other – funding received for the academy's operational activities and development.

Restricted Fixed Asset Funds

Assets transferred on conversion – this fund represents the carrying value of the fixed assets that were transferred on conversion to an academy.

Devolved Formula Capital Grant – funding received from the DfE for capital expenditure.

The resources of all funds are appropriate to their intended purposes and pose no liquidity issues.

Transfers between funds

The transfer to restricted fixed asset funds represents ESFA General Annual Grant funding used to purchase items of a capital nature.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund Balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	2,748,107	2,748,107
Current assets	197,767	282,810	-	480,577
Current liabilities	-	(239,061)	-	(239,061)
None current liabilities	-	-	-	-
Pension scheme liability	-	(352,000)	-	(352,000)
Total net assets	<u>197,767</u>	<u>(308,251)</u>	<u>2,748,107</u>	<u>2,637,623</u>

Comparative information in respect of the proceeding period is as follows:-

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	2,731,602	2,731,602
Current assets	156,351	408,347	-	564,698
Current liabilities	-	(252,594)	-	(252,594)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(425,000)	-	(425,000)
Total net assets	156,351	(269,247)	2,731,602	2,618,706

17. CAPITAL COMMITMENTS

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	-	5,744

18. COMMITMENTS UNDER OPERATING LEASES

Operating leases

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

	2018 £	2017 £
Amounts due within one year	3,312	1,827
Amounts due between one and five years	11,087	1,767
Amounts due after five years	-	-
	14,399	3,574

19. 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 amounts as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

20. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Yorkshire Pensions Authority administered by the City of Bradford Metropolitan District Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and the LGPS 31 March 2016.

Contributions amounting to £18,959 (2017: £17,227) were payable to the schemes at 31 August 2018 and are included within other creditors.

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

21. Pension and similar obligations (continued)

Teachers' pension scheme

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

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

Valuation of the Teachers' Pension Scheme

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

Valuation of the Teachers' Pension Scheme(continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (2016: 0.08%)).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The Employer's Contribution's paid to TPS in the period amounted to £95,168 (2017: £90,306).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee – administered funds. The total contributions made for the period ended 31 August 2018 was £80,000 (2017:£72,000), of which employer's contribution totalled £60,000 (2017:£55,000) and employees' contributions totalled £20,000 (2017:£18,000). The agreed contribution rates for future years are 18% for employers and between 5.5% and 6.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS – continued

Principal actuarial assumptions

	2018	2017
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.00%	2.00%
Commutation of pensions to lump sums	75.00%	75.00%

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	23.1	23.0
Females	27.1	27.0

Sensitivity analysis	2018 £000	2017 £000
Discount rate +0.1%	(38)	(35)
Discount rate -0.1%	38	36
Mortality assumption – 1 year increase	47	46
Mortality assumption – 1 year decrease	(47)	46
CPI rate +0.1%	(24)	(23)
CPI rate -0.1%	24	22

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
Equity instruments	1,042,385	901,180
Debt instruments	182,897	148,365
Property	53,718	49,455
Total market value of assets	1,279,000	1,099,000

The actual return on scheme assets was £60,000 (2017: £71,000).

Amount recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	116,000	115,000
Net interest cost	10,000	15,000
Benefit changes, gain/(loss) on curtailment	-	-
Total amount recognised in the SOFA	126,000	130,000

Lindley Church of England Infant School

Notes to the Financial Statements for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS – continued

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

	2018 £	2017 £
At 1 September 2017		
Opening defined benefit obligation	1,524,000	1,722,000
Current service cost	116,000	115,000
Interest cost	39,000	35,000
Employee contributions	20,000	18,000
Actuarial (gain)/loss	(108,000)	(362,000)
Benefits paid	40,000	(4,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
	<hr/>	<hr/>
At 31 August 2018	1,631,000	1,524,000
	<hr/>	<hr/>

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

	2018 £	2017 £
At 1 September 2017		
Opening fair value of assets	1,099,000	960,000
Interest income	29,000	20,000
Return of plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	31,000	51,000
Employer contributions	60,000	54,000
Employee contributions	20,000	18,000
Benefits paid	40,000	(4,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
	<hr/>	<hr/>
At 31 August 2018	1,279,000	1,099,000
	<hr/>	<hr/>

22. RELATED PARTY TRANSACTIONS

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

R. Wilson – the wife of Mr. C.R. Wilson (a trustee of the trust)

R. Wilson received remuneration, pro-rata for a 12 month period, of between £35,000 - £40,000 (2017: £30,000 - £35,000) and the trust paid employer's pension contributions of between £5,000 - £10,000 (2017: £5,000 - £10,000).

S. Poole – the partner of Mr. I.H.F. Gibbs (a trustee of the trust)

S. Poole received remuneration, pro-rata for a 12 month period, of between £20,000 - £25,000 (2017: £15,000 - £20,000) and the trust paid employer's pension contributions of between £0 - £5,000 (2017: £0 - £5,000).

Lindley Church of England Infant School**Notes to the Financial Statements for the Year Ended 31 August 2018****22. RELATED PARTY TRANSACTIONS (continued)****J. Firth – the husband of Mrs. A.A. Firth (a trustee of the trust)**

J. Firth received remuneration for a 12 month period, of between £25,000 - £30,000 (2017: £20,000 - £25,000) and the trust paid employer's pension contributions of between £0 - £5,000 (2017: £0 - £5,000). The couple were married at the end of the financial year.

A.A. Firth (a trustee of the trust)

A.A. Firth let the premises during the year for a private Zumba class. The transactions were on an arms length basis, A.A Firth paid a rental on the same basis of other parties that let the premises. The total amount paid in rent to the academy was £518.

In entering into the transactions, the trust has complied with the requirements of ESFA's Academies Financial Handbook.

23. EVENTS AFTER THE ACCOUNTING PERIOD

Following the signing of the financial statements at the Annual General Meeting to be held on 3 December 2018, Mr I.H.F. Gibbs will resign from being Chair of Lindley Church of England Infant School.