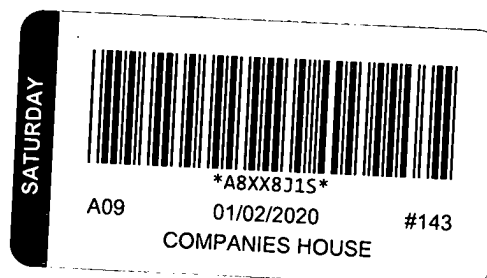


Company Registration Number: 09154494 (England & Wales)

LANESEND PRIMARY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



LANESEND PRIMARY
(A company limited by guarantee)

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LANESEND PRIMARY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Scott Raven
Joanna Hunter
Katherine Palfrey
Karen Herbert-Duff

Trustees

Andrea Flux, Staff trustee
Karen Herbert-Duff, Chair
Joanna Hunter, Vice Chair
Emma Norton¹
Jeremy Robinson
Caroline Sice, Headteacher & Accounting Officer¹
Tara Hopkinson, Staff trustee¹
James Hall
Sam Newson
Rebecca Blachford (appointed 24 January 2019)
Steven Dixon (appointed 7 January 2019)
Alexander Augustus (resigned 14 October 2018)

¹ Money Group

Company registered number

09154494

Company name

Lanesend Primary

Principal and registered office

Love Lane, Isle of Wight, PO31 7ES

Progression team

Caroline Sice, Headteacher
David Cooper, Deputy Headteacher and Yr 5&6 Phase Leader
Tara Hopkinson, Early Years Phase Leader
Sally Coppen, Yr 1&2 Phase Leader
Graham Andre, Yr 3&4 Phase Leader

Company secretary

Carrie Almond

Senior management team

Caroline Slice, Headteacher
David Cooper, Deputy Headteacher and Yr 5&6 Phase Leader

LANESEND PRIMARY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors

James Cowper Kreston, 9th Floor, The White Building, 1-4 Cumberland Place, Southampton, Hampshire, SO15 2NP

Bankers

Lloyds Bank, 22 St Thomas' Square, Newport, Isle of Wight, PO30 1SQ

Solicitors

Paris Smith, 1 London Road, Southampton, Hampshire, SO15 2AE

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4-11 serving the local area of Cowes and has families from across the Isle of Wight too. It has a pupil capacity of 420 and had a roll of 438 as at the school census date, January 2019.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Lanesend Primary are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Lanesend Primary..

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.

b. 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.

c. Trustees' indemnities

Trustees third party indemnity is covered by a policy of insurance with the DFE through their RPA approved insurance scheme.

d. Method of recruitment and appointment or election of Trustees

The number of Trustees will not be less than three but (unless otherwise determined by ordinary resolution) will not be subject to any maximum. The Members may appoint up to 10 Trustees, including Staff Trustees through any such process as they may determine. The total number of Trustees (including the Headteacher) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

Parent Trustees are elected by parents of registered pupils at the academy and must be a parent of a pupil at the Academy at the time they are elected. The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Board of trustees if the number of parents standing for election is less than the number of vacancies.

The Trustees may also appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if the number of Trustees who are employees of the academy trust would then exceed one third of the total number of Trustees (including the Headteacher).

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

The term of office for any Trustee shall be four years and, subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. A Trustee shall cease to hold office if he resigns his office by notice to the Academy Trust (but only if at least three Trustees will remain in office when the notice of resignation is to take effect). A Trustee shall cease to hold office if he is removed by the person or persons who appointed him, however this does not apply in respect of a Parent Trustee.

Each school year the Trustees shall elect a chairman and a vice-chairman from among their number. A Trustee who is employed by the academy Trust shall not be eligible for election as chairman or vice-chairman.

e. Policies adopted for the induction and training of Trustees

All new Trustees complete in-house induction training and are given the opportunity to attend the Local Authority new Trustee training sessions. Each new Trustee is paired with an experienced Trustee who will provide additional support. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees. All Trustees are invited to external and in-house training throughout the year. We also provide access to the Hampshire Trustee Portal for all trustees and the school subscribes to Hampshire Trustee Services.

f. Organisational structure

The academy has a leadership structure which consists of the Trustees and the Progression Team. The aim of the leadership structure is to devolve responsibility and to encourage involvement in the decision making at all levels. The Trustees are responsible for establishing general policy, adopting the School Improvement Plan and budget, approving the statutory accounts, monitoring the academy budget and school data both at local and national level. Trustees lead the strategic development about the direction of the academy, capital expenditure and staffing appointments. The Progression Team consists of the Headteacher, Deputy Headteacher and Phase Leaders. The Progression Team and Trustees with support from the School Development Manager implement the policies laid down by the Trustees and report back to them. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee. The academy also has Phase Leaders who assist with the day to day operation of the Academy, in particular overseeing teaching and learning quality, staff, and pupils. The Principal/Headteacher is the Accounting Officer. The School Development Manager is the Chief Financial Officer.

g. Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management is determined under the Performance Management Policy. The Headteacher's pay is determined by a performance management panel which is made up of 3 trustees and an independent consultant (who acts as an advisor to the panel). The panel decides the Headteacher's pay and is put forward for ratification to the Money Group who have been delegated powers by the Full Board of trustees. All other staff are invited to a Performance Management review against targets set and overall school performance. The Headteacher will present the evidence from these meetings to the Money Group at a Performance Management and Pay review meeting. The members of the Money Group will then decide pay changes for staff. These decisions have been delegated to the Money Group by the Full Board of trustees.

h. Related parties and other connected charities and organisations

Lanesend Primary is a standalone academy without any organisational connections to other schools, charities or companies.

i. Trade union facility time

No employees were relevant union officials during the year.

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

a. Objects and aims

The company was set up on the 1st September 2014. The principal objective and activity of the Charitable Company is the operation of Lanesend Primary School. Our school ethos is to embed a love of learning; we want our children to foster a lifelong love of learning and truly believe that every member of staff within our team are responsible for supporting the children in this goal. For this to be achieved:

- Children should feel safe and secure in a caring and stimulating environment
- Have access to the whole curriculum and more
- The personal wellbeing and all round development of our children is given high priority
- ICT use to support children's learning and access to the curriculum
- Opportunities to help them engage in their learning and play
- A highly skilled and dedicated team
- Standout teaching and learning
- An outward looking school
- Strong parental partnerships
- Strategic vision and development from Members and Trustees through clear communication and insight into the school's strengths and development areas
- We do what needs to be done for all children

Visions and Ethos

- Love Learning – Our Teachers Love Teaching and Teach our Children to Love Learning.
- We do what needs to be done for every child.
- Growing successful adults through opportunities to experience diverse aspects of learning and life.
- An Island school with boundless opportunities.
- Curriculum innovation for the twenty-first century.
- Inspiring a love of learning through positive choices
- Team Lanesend supporting each other always.

b. Objectives, strategies and activities

The main objectives for the year ended 31 August 2019 were as follows:

- To gain PEACH accreditation (bronze and silver)
- To support mental health and wellbeing in school for children, families and staff
- To upskill members of staff in therapy practices
- Boys' provision in school – quality of education, personal development, behaviour and attitudes.
- Consider Gender Kite Mark
- Recruitment of skilled Governors to ensure full complement and fulfil support and challenge role.
- Clerk and Governors to complete indicated monitoring of School Improvement plan with evidence.
- Create reporting templates for staff to report to GB
- Voluntary independent Governor Review.
- Review staffing structure and implement three year plan to accommodate the growth of the school.
- Review budget options for smaller classes across the school
- NCIF bid to provide in-school nursery provision from 3 years.
- To create a pre-school provision activity group
- Coaching training for members of staff to support less than good lessons.
- Appoint coaching champion to improve the quality of education. (New member to the progression/leadership team)
- To review the impact of IRIS in ensuring good and better lessons
- Identify member of staff to complete OTP.
- To develop a robust time table of performance management reviews for all staff.
- Pupil Premium Plan
- Sports Premium Plan

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- DHT to meet with teachers to moderate FLiC assessment against evidence of learning
- Development of appropriate task design to ensure all lessons are focussed and appropriately challenging for all children illustrating a clear understanding of pace
- Review current practice and introduce and trial 'Fabulous Phonics', identify members of staff for training
- To complete a phonic review what to keep, stop or start
- SC and TH to complete moderation of phonics
- Families to become confident in the use of phonics as an aid to reading, spelling and writing.
- To complete a review of spelling provision and its impact to include phonic provision in KS2
- To continue partnership with V21 and a support plan in place to embed practice in the classroom
- Action plans to be completed for EYFS, KS1 and KS2 by phase leaders to include identified areas of outcome weakness
- Ensure impact of planned interventions by adapting the provision map to ensure it gives the information the school needs and secures value for money
- To develop MFL across the school
- Community and charity experiences developed in UKS2
- Badge recognition in UKS2 for personal development
- Create opportunities for active career experiences
- Revisit Paul Dix's strategies: praise, redirection and relationships
- To further explore in-school nursery options (D Priority 5)
- To raise boys attainment at GLD to above 67%
- To reduce the gender gap to below 16%
- To raise APS to 35% and above with a particular focus on increasing greater depth
- To raise PPG children meeting GLD to 50%
- To secure most children at Phase 4 phonics by the end of EYFS (E Priority 5,6,7,8)
- To work with pre-schools on expectations of phonic outcomes

ACTIVITIES FOR ACHIEVING OBJECTIVES

- To develop a working group for PEACH to include the PE, PHSE and wellbeing leads
- To attend PEACH network meetings
- To further support mental health and wellbeing of children and families in school
- To upskill members of staff in therapy practices for both adults and children
- To review current provision for the quality of education, personal development and behaviour and attitudes of boys by identified leads across the school
- Consider gender Kite Mark
- Careers Day
- To recruit skilled governors and train them appropriately
- To ensure all governors have the appropriate skills to fulfil their role
- To effectively complete SIP monitoring
- To take part in a voluntary independent governor review
- To develop pro forma for presenting to GB
- To review staffing skills, structure and costs – devise a 3 year plan – using benchmarking information
- To review options for small classes
- To complete NCIF bid
- To increase engagement with pre-school families and children in the local area
- To develop coaching practice
- To embed the use of IRIS as a tool to improvement
- To ensure PM reviews are timely and robust
- To identify a member of staff to complete the outstanding teacher programme and support colleague development
- To commission Mike Fleetham to continually improve the quality of teaching
- To ensure the collection and analysis of data for disadvantaged relating to individual pupils and groups is available
- To identify the main barriers to learning on a termly basis
- Six-weekly progress reports to monitor PPG children
- Family Liaison Officer to monitor attendance so that it can be addressed quickly

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- Interventions for PPG pupils whose progress slows
- To review strategies for impact
- Staff training to support disadvantaged children
- Performance Management to reinforce pupil premium effectiveness, and performance review for support staff with focus on disadvantaged children
- To allocate a Governor for pupil premium
- Continue to analyse provision across KS1 and KS2 sporting / active clubs. Revise provision for Spring 2019 ensuring opportunity for a broad range of skill development.
- Plan the range and balanced timetabling of clubs to allow maximum uptake across the variety of activities offered.
- To target least active 15% of KS2 pupils and invite to specific club
- Maintain the high profile of sport which has now been established within the whole school community including purchasing relevant equipment e.g. website, sports board, newsletter
- To target sports with greater capacity for success / improvement within inter school events such as athletics, sports hall athletics, basketball, netball etc.
- Develop capacity of sports leaders- to lead onto / move towards organising sports clubs for KS1 and EYFS.
- Training for staff in gymnastics, invasion games and multiskills
- To further develop KS1 sport/clubs beyond ballet, football, dance – use of coaches and staff expertise
- Global Rock – KS2 (Annual objective)
- Support specific activities eg GT at CEC, Sailing at UKSA, Bikeability, UKSA swimming
- DHT to meet with teachers to moderate FLiC assessment against evidence of learning
- to develop appropriate task design to ensure all lessons are focussed and appropriately challenging for all children with clear pace
- To hold a school review with teaching alliance colleagues
- To redesign the provision map in order to ensure impact of planned interventions
- To complete a phonics review
- To improve understanding of phonic achievement through moderation
- To improve parents/carers understanding of phonics and its use
- To complete a review of spelling/phonics in KS2
- Smaller Classes in the morning to improve quality of Teaching and Learning
- To observe language lessons through IRIS
- To track provision across the school
- To analyse the gender balance in different areas of the EYFS learning environment.
- To develop enhancements to provision and the learning environment in identified areas to support boys interests.
- To identify and make links with a school with a higher than National percentage of boys meeting GLD.
- To use on entry data and half-termly tracking data to monitor boys progress and identify where intervention is needed.
- To use on entry data and half-termly tracking data to monitor progress and identify where intervention is needed.
- To run a Phonics session for families, modelling teaching of sounds and send daily activities home linked to sounds being learnt.

c. Public benefit

Every activity that Lanesend Primary engages in is always for the sole purpose of benefiting the children and enhancing the academy's reputation for delivering outstanding learning and extra-curricular experiences for all our children.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Strategic report

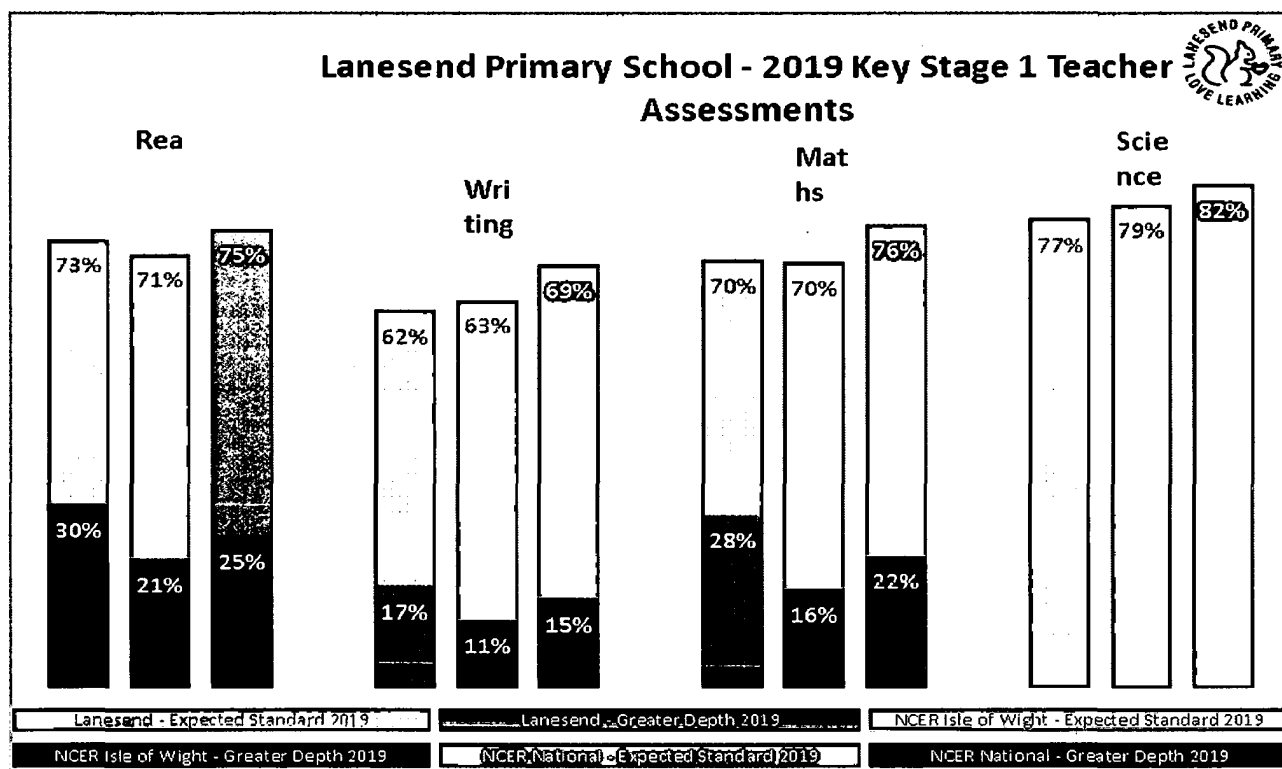
Achievements and performance

a. Key performance indicators

EYFS 2019:

Headlines for EYFS:
GLD - 72%
ATPS - 34.6
Gap between all children and lowest 20% - 24.8%
Boys GLD - 64%
Girls GLD - 81%
GLD gap between boys and girls – 17%
Boys ATPS - 33.4
Girls ATPS - 35.9
ATPS gap between boys and girls - 2.5

KS1 outcomes:



LANESEND PRIMARY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

KS2 outcomes:

	Lanesend	NCER Isle of Wight	NCER National
% of pupils achieved the expected standard in Reading, Writing and Maths	51%	59%	65%
% of pupils achieved the higher standard in Reading, Writing and Maths	1%	6%	11%
% of pupils achieved the expected standard in Reading	81%	70%	73%
% of pupils achieved the high score in Reading	19%	24%	27%
% of pupils achieved the expected standard in Writing	63%	74%	78%
% of pupils achieved Greater Depth in Writing	10%	14%	20%
% of pupils achieved the expected standard in Maths	63%	74%	79%
% of pupils achieved the high score in Maths	9%	18%	27%
% of pupils achieved the expected standard in Grammar Punctuation & Spelling	69%	70%	78%
% of pupils achieved the high score in Grammar Punctuation & Spelling	19%	27%	36%
Average Scaled Score in Reading	103.4	103.5	104.4
Average Scaled Score in Maths	101.0	103.5	103.1
Average Scaled Score in Grammar, Punctuation and Spelling	102.8	104.2	106.3

Attendance:

2018/2019 - 97.2% against national average of 96%

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Financial review

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of current and capital grants, the use of which is restricted to particular purposes. The grants received during 2018/19 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities. We have a Financial Management Procedures Policy which includes all processes and rules relating to our finances. The total funds held on the balance sheet at 31 August 2019 was £1,302,022

b. Reserves policy

Available reserves at 31 August 2019 (excluding pension provision and restricted fixed assets) are £100,648 (2018: £134,087). Our aim is to use the allocated funding each year for the full benefit of the children currently attending the school. However we do budget a small amount each year for unforeseen circumstances, to support planned projects to benefit the future development plans of the school and the upkeep of the building.

c. Investment policy

Our funds are held in 2 bank accounts with Lloyds Bank and accrue interest. We currently do not invest in any investment activities which could pose a risk. Any investments are made with regard to the Charity Commission guidance in relation to investments.

d. Principal risks and uncertainties

All administrative and support staff are entitled to membership of the Local Government Pension Scheme. The School's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the School's balance sheet shows a net liability of £940,000. The Actuary's assumptions are very much influenced by the current economic climate both nationally and internationally.

The Trustees have developed a Risk Register which is reviewed regularly by the Money Group.

Fundraising

Lanesend Primary raises funds for itself through school fundraising such as organised events and applying for sponsorship and also with its families through LEAF (Lanesend Active Families).

We also organise events to raise funds for outside charities.

All our fundraising work is based on a donation ethos and culture so there is no obligation to donate.

We have a clear financial difference on our accounts between the three lines of fundraising so all monies can be clearly seen.

Families are always updated via text, email and our school newsletter to advise how much money has been raised.

When fundraising we are always very clear who and what the money will be used for.

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising (continued)

Plans for future periods

The Trustees will continue working with the learners, staff and families of the school, to enhance provision in the local area to outstanding. We are committed to improving the educational and wellbeing outcomes for all our children, ensuring positive futures.

Lanesend Primary School is committed to developing education and learning for the 21st century both at a local and national level.

- To gain PEACH accreditation (silver)
- To support mental health and wellbeing in school for children, families and staff
- To introduce Trick Box to support mental health wellbeing in school for children, families and staff
- Boys' provision in school – quality of education, personal development, behaviour and attitudes.
- Eco-school award
- Trial of baseline for Reception 2019/20. Feedback and work with main pre-school provider to address areas of weakness
- To create a pre-school provision activity group
- Continue to explore development of nursery provision
- Recruitment of skilled Trustees to ensure full complement and fulfil support and challenge role.
- Trustees to complete a full day in advance in school on March 6th to enhance their monitoring of the Improvement Plan
- Coaching development across the school to address concerns in a timely manner
- Full year planned in advance of monitoring by Deputy Head and Assistant Head to ensure all lessons are good or better and ensure this translates into the improvement of teaching of the curriculum, attainment and outcomes
- Staff Family Champion to develop engagement in the academic support of children in school
- Open lessons planned
- Family support programme to develop resilience and improve mental health
- Quiz Night for families to teach about the curriculum
- Maintain high standards of safeguarding across the day, week, term, year
- Staff questionnaire completed at the beginning and end of the year to ensure wellbeing
- Pupil Premium Plan – address boys with AEN, maintaining progress from Reception to Year 6. Maths – disadvantaged girls. Writing – disadvantaged boys. Progress of AEN disadvantaged children. Higher ability children, disadvantaged progress
- Sports Premium Plan – training for teachers. Multiskills with a focus on throwing and catching and that the P.E. curriculum is sequential to the building of skills
- Oracy lead to complete accredited course to continue developing oracy across the school
- Word of the Day and development of vocabulary across all areas of the curriculum
- NACE CPD across the year
- Development of appropriate task design to ensure all lessons are focussed and appropriately challenging for all children illustrating a clear understanding of pace
- Coaching across the school
- Monitoring by DHT and AHT
- Ensure all lessons contribute to a series of learning that delivers the curriculum intent
- Ensure all lessons embed learning over time and knowledge and skills can be recalled (cumulatively sufficient knowledge)
- Children to use their cumulative knowledge enthusiastically across all areas of learning
- Monitor that learning is not through isolated application but through integrated application assessment of learning
- Teaching and learning needs to ensure that work produced is of a high standard
- Phonic action plan in place and working with Springhill English Hub to increase phonic outcomes in year 1
- Families to become confident in the use of phonics using new decodable books
- To complete a review of spelling provision and its impact to include phonic provision in KS2
- Action plans to be completed for KS1 and KS2 by phase leaders to include identified areas of outcome

LANESEND PRIMARY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods (continued)

- weakness
- Specific interventions across the school to support boys learning in reading and writing
- Earlier intervention of cusp children working with the teacher
- New Edukey online system to support AEN and evaluating impact of support
- Ensure impact of planned interventions by adapting the provision map to ensure it gives the information the school needs and secures value for money
- To develop mathematical language in multi-step problems across the school
- To monitor and track progress of prior high attainers from KS1 to KS2
- Year 4 to develop skills in quick recall input using IT
- Positive choices modelled and recognised when transitioning around school
- Implement behaviour support plan to recognise behaviour escalation quickly and reduce impact on staff and children
- Specific support for individual children is effective
- Engagement of families to promote a positive attitude to learning and resilience
- Identify what a positive attitude looks like and model it
- Take pride in achievements in their quality of work so that it can be displayed positively
- Develop a badge system to recognise outstanding behaviours and skills by each child
- To increase the attendance of children with an EHCP and have English as an Additional Language to the school target of 97.6%
- To challenge the use of gay when used in social situations
- Buddy system across the school to be consistently used to model expectations of positive behaviours and attitudes
- To implement key workers for Year 6 to support learning and positive behaviour choices
- To ensure all pupils attend Pupil Progress Meetings and have regular individual pupil conversations about behaviour and attitude
- To develop EYFS action plan
- To trial baseline assessment and work with pre-schools to raise incoming assessments
- To further explore in-school nursery options (D Priority 1)
- To raise boys attainment at GLD and to reduce the gender gap
- To raise APS with a particular focus on increasing greater depth with all early learning goals
- To develop transition from EYFS to Year 1, maintaining outcomes from EYFS
- To increase phonic standard to national at the end of Year 1
- To secure assessments so that progress forward is to be maintained.

Funds held as custodian on behalf of others


We do not act as a custodian trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

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



Karen Herbert-Duff
Chair of Trustees

Date: 19.12.2019

LANESEND PRIMARY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lanesend Primary 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 8 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Andrea Flux, Staff trustee	8	8
Karen Herbert-Duff, Chair	8	8
Joanna Hunter, Vice Chair	7	8
Emma Norton	4	8
Jeremy Robinson	6	8
Caroline Sice, Headteacher & Accounting Officer	7	8
Tara Hopkinson, Staff trustee	8	8
James Hall	7	8
Sam Newson	7	8
Rebecca Blachford	2	4
Steven Dixon	2	4
Alexander Augustus	1	2

The Board of Trustees continued their commitment to small class sizes as a priority in 2018/2019. This led to numerous conversations about how they could financially and effectively honour this commitment. It became apparent that in order to maintain small class sizes they would need to review the use of the school premises again and through conversations and reviews they agreed to creatively extend the use of the school site converting one larger classroom into an adjustable split classroom with an adjustable screen. The library has also now been converted into an additional teaching space for Year 2. The school was also successful with its 2018/2019 Cif bid allowing for a full replacement of the boiler and heating system throughout the school. The continued use of the new and improved School Improvement Plan has made it simpler for trustees to take accountability and ownership of monitoring and reviewing the strategic direction of the school and holding the school progression and leadership team to account.

As the school grows, the Trustees regularly review the management and staffing structure as part of the overall strategic objectives. As a result of a 2018/2019 review of the management structure a decision was made to appoint an Assistant Head to join the team at the start of the 2019/2020 academic year. This allows for additional management support in the monitoring and constant review of teaching and learning across the school.

The Money Group is a sub group of the main board of trustees. Its purpose is to oversee the financial affairs and report as appropriate to the board of trustees. They undertake a regular review of financial policies and procedures, monitor and review income/expenditure ensuring compliance with the overall financial plan for the Academy. The group also considers and recommends the acceptance/non-acceptance of the Academy's budget at the start of the year. This group also monitors and reviews the overall effectiveness of leadership and

LANESEND PRIMARY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

management; contributes to the monitoring of matters concerning the school premises and grounds, Human Resources, security and Health and Safety and safeguarding.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Caroline Sice	8	8
Sam Newson	8	8
Emma Norton	7	8
Tara Hopkinson	8	8
Jeremy Robinson	6	8
James Hall	2	8

Review of value for money

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

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

- Training with our learning consultant for teaching and learning
- Investment in new sports equipment for whole school
- Implementation of the Trickbox system for the whole school to help with resilience and behaviour
- Continued to provide opportunities for our Remarkable Children through a range of activities.
- Continued work with Portswood Teaching Alliance
- Audit for 17/18 was signed off as appropriate
- Continue to invest in apprenticeships
- Whole school staff training in Oracy and handwriting
- Significant improvements made to the school building
- Investment in new Phonics resources for KS1 (partially funded)

Lanesend is extremely effective in its deployment of resources because:

- Its resources are of high quality.
- All individual needs can be and are met both academically and emotionally.
- The outcomes achieved recognise the value added that the school provides.
- The school employs a Family Team to support the all children and families
- The school employs an AEN Team to support the needs of individual children
- The school, employs a Finance and Admin team who support the whole school community
- We have volunteer mentors to help support vulnerable children.
- The school environment is maintained to a high level.
- Staff want to work at Lanesend and comprehensive training and development is provided
- Funding streams are explored to enable new projects throughout the school
- We have a highly efficient and effective School Development Manager and Finance Team that promote careful and accurate accounting.
- Children contribute ideas for resources through the Pupil Council
- The school continues to work with our Data Consultant to develop effective tracking and data systems in school to reflect the assessment made in the classroom
- We used our PE and Sports Grant alongside some of our delegated funding to improve the sporting engagement of all our children, this included the purchase of new sports equipment and we have a football coach every day to support lunchtime

LANESEND PRIMARY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lanesend Primary for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Emma Norton, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a quarterly basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

LANESEND PRIMARY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)


Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees and signed on their behalf by:



Karen Herbert-Duff
Chair of Trustees

Date: 19.12.2019



Caroline Sice
Accounting Officer

Date: 19.12.2019

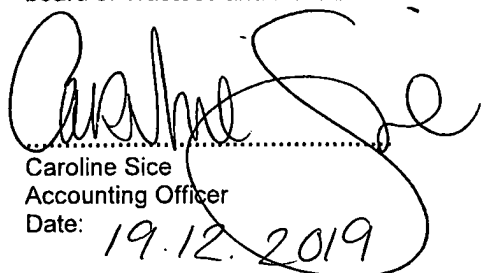
LANESEND PRIMARY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
Caroline Sice
Accounting Officer
Date: 19.12.2019

LANESEND PRIMARY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



.....
Karen Herbert-Duff
Chair of Trustees

Date: 19.12.2019

LANESEND PRIMARY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANESEND PRIMARY**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

LANESEND PRIMARY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANESEND PRIMARY (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

LANESEND PRIMARY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANESEND PRIMARY (CONTINUED)**

Responsibilities of trustees

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

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

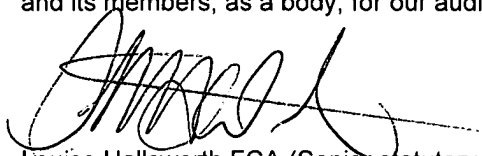
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Louise Hallsworth FCA (Senior statutory auditor)
for and on behalf of

James Cowper Kreston
Chartered Accountants and Statutory Auditor
9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 20.12.2019

LANESEND PRIMARY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LANESEND
PRIMARY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lanesend Primary during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Lanesend Primary's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lanesend Primary's funding agreement with the Secretary of State for Education dated 1 September 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

LANESEND PRIMARY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LANESEND
PRIMARY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



James Cowper Kreston
9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 20.12.2019

LANESEND PRIMARY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
Income from:						
Donations and capital grants	3	8,265	-	381,665	389,930	13,898
Charitable activities	4	133,330	2,109,535	-	2,242,865	2,101,396
Other trading activities	5	49,145	-	-	49,145	51,716
Investments	6	172	-	-	172	231
Total income		190,912	2,109,535	381,665	2,682,112	2,167,241
Expenditure on:						
Charitable activities	7,8	86,511	2,699,474	67,176	2,853,161	2,270,032
Total expenditure		86,511	2,699,474	67,176	2,853,161	2,270,032
Net income/(expenditure)		104,401	(589,939)	314,489	(171,049)	(102,791)
Transfers between funds	20	(3,753)	369,852	(366,099)	-	-
Net movement in funds before other recognised gains/(losses)		100,648	(220,087)	(51,610)	(171,049)	(102,791)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(474,000)	-	(474,000)	196,000
Net movement in funds		100,648	(694,087)	(51,610)	(645,049)	93,209
Reconciliation of funds:						
Total funds brought forward		-	(245,913)	2,192,984	1,947,071	1,853,862
Net movement in funds		100,648	(694,087)	(51,610)	(645,049)	93,209
Total funds carried forward		100,648	(940,000)	2,141,374	1,302,022	1,947,071

The notes on pages 28 to 49 form part of these financial statements.

LANESEND PRIMARY
(A company limited by guarantee)
REGISTERED NUMBER: 09154494

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	2,141,374	2,192,984
		<u>2,141,374</u>	<u>2,192,984</u>
Current assets			
Stocks	16	9,227	9,591
Debtors	17	193,928	103,504
Cash at bank and in hand		411,181	343,663
		<u>614,336</u>	<u>456,758</u>
Creditors: amounts falling due within one year	18	(490,377)	(295,775)
Net current assets		<u>123,959</u>	<u>160,983</u>
Total assets less current liabilities		<u>2,265,333</u>	<u>2,353,967</u>
Creditors: amounts falling due after more than one year	19	(23,311)	(26,896)
Net assets excluding pension liability		<u>2,242,022</u>	<u>2,327,071</u>
Defined benefit pension scheme liability	25	(940,000)	(380,000)
Total net assets		<u><u>1,302,022</u></u>	<u><u>1,947,071</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	2,141,374	2,192,984
Restricted income funds	20	-	134,087
		<u>2,141,374</u>	<u>2,327,071</u>
Restricted funds excluding pension asset	20	2,141,374	2,327,071
Pension reserve	20	(940,000)	(380,000)
Total restricted funds	20	<u>1,201,374</u>	<u>1,947,071</u>
Unrestricted income funds	20	100,648	-
Total funds		<u><u>1,302,022</u></u>	<u><u>1,947,071</u></u>

LANESEND PRIMARY
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



.....
Karen Herbert-Duff
Chair of Trustees

Date: 19.12.2019

The notes on pages 28 to 49 form part of these financial statements.

LANESEND PRIMARY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	82,912	222,165
Cash flows from investing activities	23	(15,394)	(200,372)
Change in cash and cash equivalents in the year		67,518	21,793
Cash and cash equivalents at the beginning of the year		343,663	321,870
Cash and cash equivalents at the end of the year	24	<u>411,181</u>	<u>343,663</u>

The notes on pages 28 to 49 form part of these financial statements

LANESEND PRIMARY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lanesend Primary meets the definition of a public benefit entity under FRS 102.

1.2 Fund accounting

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

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

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

1.3 Going concern

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

LANESEND PRIMARY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.5 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

LANESEND PRIMARY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold property	- Land - Straight line over 125 years
	Buildings - Straight line over 50 years
Fixtures and fittings	- 25% Reducing balance
Motor Vehicles	- Straight line over 5 years
Outside area	- Straight line over 10 years

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

LANESEND PRIMARY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

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1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Operating lease commitments

The academy trust has entered into commercial lease contracts and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the academy trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
LEAF donation	8,265	-	8,265	5,972
Capital Grants	-	381,665	381,665	7,926
	<u>8,265</u>	<u>381,665</u>	<u>389,930</u>	<u>13,898</u>
Total 2018	<u>5,972</u>	<u>7,926</u>	<u>13,898</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the academy's direct cost

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,573,801	1,573,801	1,514,996
Other DfE/ESFA grants	-	297,005	297,005	272,789
	-	1,870,806	1,870,806	1,787,785
Other government grants				
Local authority grants	-	238,729	238,729	202,388
	-	238,729	238,729	202,388
Other funding				
Uniform income	24,720	-	24,720	24,313
Sundry income	16,729	-	16,729	14,174
Meals income	24,473	-	24,473	30,467
Trip income	42,390	-	42,390	42,269
Insurance claims	10,634	-	10,634	-
Club income	10,546	-	10,546	-
Swimming income	3,838	-	3,838	-
	133,330	-	133,330	111,223
	133,330	2,109,535	2,242,865	2,101,396
Total 2018	111,223	1,990,173	2,101,396	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Squirrels Den income	43,205	43,205	48,496
Hire of facilities	5,940	5,940	3,220
	49,145	49,145	51,716

In 2018, of the total income from other trading activities, £51,716 related to unrestricted funds and £nil to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	172	172	231

In 2018, of the total investment income, £231 related to unrestricted funds and £nil to restricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational activities					
Direct costs	979,799	67,176	123,389	1,170,364	1,049,056
Support costs	981,711	458,389	242,697	1,682,797	1,220,976
	<u>1,961,510</u>	<u>525,565</u>	<u>366,086</u>	<u>2,853,161</u>	<u>2,270,032</u>
Total 2018	<u>1,737,919</u>	<u>158,909</u>	<u>373,204</u>	<u>2,270,032</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	1,170,364	1,682,797	2,853,161	2,270,032
Total 2018	<u>1,049,056</u>	<u>1,220,976</u>	<u>2,270,032</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	979,799	869,643
Depreciation	67,176	59,249
Educational supplies	62,226	52,324
Staff development	11,955	10,224
Educational consultancy	49,208	57,616
	1,170,364	1,049,056

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	11,000	13,000
Staff costs	981,711	868,276
Technology costs	20,144	15,353
Staff development	18,444	19,439
Maintenance of premises and equipment	407,638	79,536
Cleaning	6,413	9,425
Rent and rates	12,585	9,851
Energy costs	24,098	22,329
Insurance	7,657	6,940
Security and transport	5,819	5,859
Catering	92,225	90,798
Other support costs	35,686	33,446
Trip expenditure	50,825	39,831
Governance costs	8,552	6,893
	1,682,797	1,220,976

During the year ended 31 August 2019, the academy incurred the Governance costs totalling £8,552 (2018: £6,893) in respect of Educational activities.

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	2,164	2,164
Depreciation of tangible fixed assets	67,176	59,249
	<u>69,340</u>	<u>61,413</u>

10. Auditors' remuneration

	2019 £	2018 £
Fees payable to the academy's Auditor and its associates in respect of:		
Auditing of financial statements of the academy	4,600	4,500
All non-audit services not included above	1,640	1,310
	<u>6,240</u>	<u>5,810</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,524,276	1,327,531
Social security costs	97,629	95,103
Pension costs	339,605	315,285
	<u>1,961,510</u>	<u>1,737,919</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	23	18
Administration and support	73	60
Management	2	2
	<u>98</u>	<u>80</u>

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11. Staff costs (continued)

c. Higher paid staff

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

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

The total expense included in the accounts for key personnel amounted to £139,829 (2018: £138,979)

12. Trustees' remuneration and expenses

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

		2019 £	2018 £
Caroline Sice	Remuneration	65,000 - 70,000	65,000 - 70,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
		15,000	15,000
Tara Hopkinson	Remuneration	35,000 - 40,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
		10,000	10,000
Andrea Flux	Remuneration	15,000 - 20,000	15,000 - 20,000
	Pension contributions paid	0 - 5,000	0 - 5,000
		20,000	20,000

During the year ended 31 August 2019, expenses totalling £1,206 were reimbursed or paid directly to 5 Trustees (2018: £695 to 2 Trustees), this was related to expenses incurred during their normal course of work as staff members.

13. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Other finance cost

	2019 £	2018 £
Interest income on pension scheme assets	28,000	20,000
Interest on pension scheme liabilities	(39,000)	(33,000)
	<u>(11,000)</u>	<u>(13,000)</u>

15. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation					
At 1 September 2018	2,249,751	72,485	13,000	86,511	2,421,747
Additions	-	15,566	-	-	15,566
At 31 August 2019	<u>2,249,751</u>	<u>88,051</u>	<u>13,000</u>	<u>86,511</u>	<u>2,437,313</u>
Depreciation					
At 1 September 2018	158,387	43,675	1,300	25,401	228,763
Charge for the year	40,161	17,064	1,300	8,651	67,176
At 31 August 2019	<u>198,548</u>	<u>60,739</u>	<u>2,600</u>	<u>34,052</u>	<u>295,939</u>
Net book value					
At 31 August 2019	<u>2,051,203</u>	<u>27,312</u>	<u>10,400</u>	<u>52,459</u>	<u>2,141,374</u>
At 31 August 2018	<u>2,091,364</u>	<u>28,810</u>	<u>11,700</u>	<u>61,110</u>	<u>2,192,984</u>

16. Stocks

	2019 £	2018 £
Uniforms and stationery	<u>9,227</u>	<u>9,591</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	2019 £	2018 £
Trade debtors	1,353	5,355
Other debtors	7,224	12,786
Prepayments and accrued income	144,979	56,583
VAT debtor	40,372	28,780
	<u>193,928</u>	<u>103,504</u>

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	3,586	1,793
Trade creditors	205,620	82,821
Other taxation and social security	28,394	23,578
Other creditors	22,489	22,123
Accruals and deferred income	230,288	165,460
	<u>490,377</u>	<u>295,775</u>

	2019 £	2018 £
Deferred income at 1 September 2018	39,709	35,904
Resources deferred during the year	39,344	39,709
Amounts released from previous periods	(39,709)	(35,904)
	<u>39,344</u>	<u>39,709</u>

The majority of the deferred income amount relates to UIFSM, the remaining balance relates to other sundry income streams.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
SALIX Loan	<u>23,311</u>	<u>26,896</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Repayable by instalments	<u>5,379</u>	<u>8,965</u>

The ESFA SALIX loan is repayable over an 8 year term and the applicable rate of interest is nil.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	-	190,912	(86,511)	(3,753)	-	100,648
Restricted funds						
General Annual Grant (GAG)	134,087	1,573,801	(2,077,740)	369,852	-	-
Other ESFA/DfE grants	-	297,005	(297,005)	-	-	-
Local authority grants	-	238,729	(238,729)	-	-	-
Pension reserve	(380,000)	-	(86,000)	-	(474,000)	(940,000)
	<u>(245,913)</u>	<u>2,109,535</u>	<u>(2,699,474)</u>	<u>369,852</u>	<u>(474,000)</u>	<u>(940,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	2,192,984	381,665	(67,176)	(366,099)	-	2,141,374
Total Restricted funds	<u>1,947,071</u>	<u>2,491,200</u>	<u>(2,766,650)</u>	<u>3,753</u>	<u>(474,000)</u>	<u>1,201,374</u>
Total funds	<u>1,947,071</u>	<u>2,682,112</u>	<u>(2,853,161)</u>	<u>-</u>	<u>(474,000)</u>	<u>1,302,022</u>

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

Unrestricted funds

These funds are for the general use of the academy and may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency (ESFA) during the year in order to fund the continuing activities of the Trust. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Other DfE/ESFA grants, which includes pupil premium. This represents funding received from the ESFA to cater for disadvantaged pupils.

Local authority grants include high needs funding to cater for pupils with learning difficulties and other disabilities.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Restricted fixed asset funds

These funds are those specifically designated for capital expenditure. Fixed assets transferred on conversion to an Academy represent the leasehold premises and equipment donated to the Trust by the Isle of Wight Council.

DfE/ESFA Capital grants include Devolved Formula Capital grants (DFC) and Condition Improvement Fund grants (CIF). In the year the academy received a CIF grant which has been transferred to restricted funds because it has been used to replace the existing heating system.

Fund transfers

This transfer includes the spending of restricted fixed asset fund income on school repair and replacement costs which were not capitalised, and a transfer from Restricted Funds to cover capital items purchased during the year.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	77,845	169,142	(73,288)	(173,699)	-	-
Restricted funds						
General Annual Grant (GAG)	195,387	1,514,996	(1,557,318)	(18,978)	-	134,087
Other ESFA/DfE grants	-	272,789	(272,789)	-	-	-
Local authority grants	-	202,388	(202,388)	-	-	-
Pension reserve	(471,000)	-	(105,000)	-	196,000	(380,000)
	<u>(275,613)</u>	<u>1,990,173</u>	<u>(2,137,495)</u>	<u>(18,978)</u>	<u>196,000</u>	<u>(245,913)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	2,051,630	7,926	(59,249)	192,677	-	2,192,984
Total Restricted funds	<u>1,776,017</u>	<u>1,998,099</u>	<u>(2,196,744)</u>	<u>173,699</u>	<u>196,000</u>	<u>1,947,071</u>
Total funds	<u>1,853,862</u>	<u>2,167,241</u>	<u>(2,270,032)</u>	<u>-</u>	<u>196,000</u>	<u>1,947,071</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,141,374	2,141,374
Current assets	100,648	513,688	-	614,336
Creditors due within one year	-	(490,377)	-	(490,377)
Creditors due in more than one year	-	(23,311)	-	(23,311)
Provisions for liabilities and charges	-	(940,000)	-	(940,000)
Total	100,648	(940,000)	2,141,374	1,302,022

Analysis of net assets between funds - prior year

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	2,192,984	2,192,984
Current assets	456,758	-	456,758
Creditors due within one year	(295,775)	-	(295,775)
Creditors due in more than one year	(26,896)	-	(26,896)
Provisions for liabilities and charges	(380,000)	-	(380,000)
Total	(245,913)	2,192,984	1,947,071

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(171,049)	(102,791)
Adjustments for:		
Depreciation	67,176	59,249
Defined benefit pension scheme finance cost	86,000	105,000
Decrease/(increase) in stocks	364	(2,871)
Increase in debtors	(90,424)	(25,908)
Increase in creditors	191,017	189,717
Interest receivable	(172)	(231)
Net cash provided by operating activities	82,912	222,165

23. Cash flows from investing activities

	2019 £	2018 £
Interest receivable	172	231
Purchase of tangible fixed assets	(15,566)	(200,603)
Net cash used in investing activities	(15,394)	(200,372)

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	411,181	343,663
Total cash and cash equivalents	411,181	343,663

25. Pension commitments

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

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

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

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25. Pension commitments (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 Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £128,018 (2018 - £112,178).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £172,000 (2018 - £137,000), of which employer's contributions totalled £139,000 (2018 - £111,000) and employees' contributions totalled £ 33,000 (2018 - £26,000). The agreed contribution rates for future years are 23.5% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.70	2.70
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.7	24.7
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	759,110	617,000
Property	305,910	55,000
Cash and other liquid assets	-	9,000
Bonds	67,980	227,000
Total market value of assets	1,133,000	908,000

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25. Pension commitments (continued)

The actual return on scheme assets was £32,000 (2018 - £27,000).

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

	2019 £	2018 £
Current service cost	(214,000)	(203,000)
Interest income	28,000	20,000
Interest cost	(39,000)	(33,000)
Total amount recognised in the Statement of Financial Activities	(225,000)	(216,000)

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

	2019 £	2018 £
Opening defined benefit obligation	1,288,000	1,200,000
Current service cost	214,000	203,000
Interest cost	39,000	33,000
Employee contributions	33,000	26,000
Actuarial losses/(gains)	506,000	(169,000)
Benefits paid	(7,000)	(5,000)
At 31 August	2,073,000	1,288,000

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

	2019 £	2018 £
Opening fair value of scheme assets	908,000	729,000
Interest income	28,000	20,000
Actuarial gains	32,000	27,000
Employer contributions	139,000	111,000
Employee contributions	33,000	26,000
Benefits paid	(7,000)	(5,000)
At 31 August	1,133,000	908,000

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26. Operating lease commitments

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

	2019 £	2018 £
Within 1 year	1,622	2,164
Between 1 and 5 years	-	1,622
	<u>1,622</u>	<u>3,786</u>

27. Members' liability

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

28. Related party transactions

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

	2019 £	2018 £
Raven Design & Print	827	410
Caroline Sice	609	536
Tara Hopkinson	166	123
Karen Herbert-Duff	100	-
Andrea Flux	33	-
Jo Hunter	298	-
	<u>2,033</u>	<u>1,069</u>

The transactions between Caroline, Andrea and Tara are reimbursed expenses, this was related to expenses incurred during their normal course of work as staff members.