Registered number: 08434233

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

AMENDED VERSION (DECEMBER 2019)

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1-2
Trustees' Report	3-12
Governance Statement	13-16
Statement on Regularity, Propriety and Compliance	17
Trustees' Responsibilities Statement	18
Independent Auditors' Report	19-21
Independent Reporting Accountant's Assurance Report on Regularity	22-23
Statement of Financial Activities incorporating Income & Expenditure Account	24-25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	28-32
Other Notes to the Financial Statements	32-49

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISORS FOR THE YEAR ENDED 31 AUGUST 2019

Members	The Diocese of Gloucester Education Trust (Corporate Foundation Member) P G Mosley J L Watts H Thornburgh
Governors	H Thornburgh[1] Revd D L Delap B Meek (Resigned 21 December 2018) M Pudifoot[1] E P Coupe[1] C Moor[1] A Taylor J Peters[1] L Riberzani T Sampson[1] M Chappell (elected/appointed 28 January 2019) K Davies (appointed 21 September 2018) S White (appointed 15 October 2018)[1] [1] Resources committee
Senior Leadership Team (SLT)	M Pudifoot, Head Teacher (1 September – 14 October 2018 and from 13 May 2019) S L White (Deputy Head from 1 September 2018, Acting Head from 15 October 2018 – 12 May 2019) K Davies (Member of the SLT during the Headteacher's absence)

The SLT is deemed to be the Key Management Personnel of the School.

Registered Office	Park Road Blockley Moreton-in-Marsh Gloucestershire GL56 9BY
Company Registration Number	08434233
Statutory Auditor	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISORS FOR THE YEAR ENDED 31 AUGUST 2019

Bankers	Lloyds Bank High Street Moreton-in-Marsh Gloucestershire GL56 0AY
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT

The Trustees present their Annual Report together with the audited financial statements of Blockley Educational Academy (the 'Academy', 'trust') for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates as an Academy for pupils aged 4 to 11 serving a catchment area in and around the village of Blockley in the North Cotswolds with a pupil capacity of 150, and 137 pupils are currently enrolled based on the October 2019 census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Trust, which was incorporated on 7 March 2013 and opened as an Academy on 1 April 2013, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who have served during the year are listed within the reference and administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

The Trustees benefit from the Department of Education's risk protection arrangement (RPA) membership. This provides unlimited employers liability, third party public liability and professional indemnity.

METHOD OF RECRUITMENT AND APPOINTMENT OF GOVERNORS

The Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- Up to 5 Trustees who are appointed by the Members;
- At least 2 Foundation Trustees if appointed by the Foundation Member in consultation with Blockley Parochial Church Council provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not thereby exceed 25% of the total number of Governors (excluding any Additional or Further Governors);
- The Incumbent who is treated for all purposes as being an ex-officio Trustee;
- A minimum of 2 Parent Trustees who are elected by the parents of registered pupils at the Academy;
- At least 2 Staff Trustees appointed by the Members (provided that the total number of Trustees, including the Head Teacher, who are employees of the Academy, does not exceed one third of the total number of Trustees);
- The Head Teacher who is treated for all purposes as being an ex-officio Trustee;
- Up to 2 co-opted governors may be appointed by the Trustees. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal).

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Head Teacher or Incumbent. Subject to remaining eligible to be a particular type of Trustee, any Trustees can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees, in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy's on-going development.

Governors identify skill requirements and any gaps by means of a skill audit and matrix. Training and recruitment are then based on the results of this audit.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustee. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the various other organisations as appropriate and school buys into the National Governor Association 'Learning Link' giving access to specific Governor training modules.

ORGANISATIONAL STRUCTURE

The Board of Trustees normally meet six times each academic year. The Board of Trustees establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports and policies from its committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and verbal reports delivered to the Full Governing Body meeting. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 4 Committees of the Board of Trustees as follows:

- Standards Committee
- Resources Committee
- Ethos Committee
- Head Teacher Performance Review Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chair and/or Vice Chair; and
- to appoint and/or consider the performance management of the Head Teacher

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data (both financial and non- financial), and making the major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees have delegated the day-to-day management of the Academy to the Head Teacher and the SLT. The Head Teacher is the Academy's Accounting Officer and has overall responsibility for the day to day financial management of the Academy. The SLT team implements the policies laid down by the Trustees and reports back to them on performance.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider the Board of Governors and the Senior Leadership Team comprise the key management personnel of the School in charge of directing and controlling, running and operating the School on a day to day basis.

Details of trustees' remuneration and expenses are disclosed in note 9 to the accounts.

The pay of the Head Teacher and senior staff is reviewed annually based on performance and normally increased in accordance with Government guidelines. The remuneration is set to ensure it is both fair but also will attract and retain staff of the appropriate calibre and experience required by the School.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

There are no related parties which either control or significantly influence the decisions and operations of the Academy.

There is a Parent Teacher Association associated with the Academy. This is called 'Friends of the School' and is an unconnected registered charity with the purpose of enhancing the curriculum of the Academy by providing funding to support educational outings, guest speakers and third party workshops as well as providing funding for specific projects.

OBJECTIVES AND AIMS

OBJECT AND AIMS

The principal objects of the Academy, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character, offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

The aims of the Academy during the period ended 31 August 2019 are summarised below:

- To offer a curriculum that is broad and balanced.
- To promote the spiritual, moral, cultural, mental and physical development of pupils at the Academy.
- To prepare pupils at the Academy for the opportunities, responsibilities and experiences of later life.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The key objectives for the period are contained in the Academy's Development Plan which is available from the Head Teacher.

The main priorities of the Academy for the period ended 31 August 2019 were as follows:

- To improve the level of achievement for Boys in all areas
- To increase the rates of progress for all SEND children
- To establish and embed consistently high expectations for all learners including pupils, staff and leaders
- All teaching to be consistently 'good' or better, in terms of the quality of the learning across the whole school in the vast majority of lessons
- To develop and nurture children's attitudes and responsibility towards their learning, socialisation and overall wellbeing
- All year groups need 'secure successful outcomes' for all their pupils, evidenced by progress and or achievement. Special emphasis will be placed upon writing, boy's achievement and progress and SEND progress rates
- To enable all pupils to thrive through a wide-ranging promotion of pupil's understanding of Spiritual, Moral, Social and Cultural education (SMSC), and Healthy Schools (GHLL) initiative.

PUBLIC BENEFIT

The Academy Trust aims to advance for public benefit education in Blockley and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils.

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

The Academy Trust is in its fifth year of operation since conversion to an Academy Trust on 1 April 2013. The Academy has a PAN of 20 places. The total number of pupils in the period ended 31 August 2019 was 147 (October 2018 census), and remains at that level at the time of compiling the accounts.

The Academy is committed to continual improvement which is achieved in a number of ways including; improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. Actions taken include:

- Implementing a new book banded reading scheme to drive standards in lower KS2;
- Implementing a system of external literacy support/mentoring to assist in raising literacy standards across the school through 'book looks' and moderation;
- Continuing to develop school wide 'circle time' training to increase staff awareness of behaviour management techniques and mental wellbeing with regard to the new Health and Relationship education;
- Following the advice given by School Improvement Partners in setting challenging performance management targeting for teaching staff. Implementing a consistent style of weekly lesson plans to ensure that academic standards are raised.

The particular achievements and performance of the Academy during the period ended 31 August 2019 were as follows:

- Early Years Foundation Stage 2019: 73% of pupils reached the Good Level of Development.
- Y1 Phonics 2019: 80% of pupils passed.
- End Key Stage 1 SAT's 2019: Reading was 70%, Writing was 65%, and Mathematics was 70%.
- End Key Stage 2 SAT's 2019: Reading results (83%) at or above Age Related Expectation (ARE) with National (73%); Writing results (83%) at or above Age Related Expectation (ARE) with National (78%); Grammar, Punctuation and Spelling (83%) at or above ARE with National (78%) and Mathematics (74%) at or above Age Related Expectation (ARE) with National (79%). For each of these curriculum areas the school had a high number of pupils achieving Greater Depth Standard (GDS) - Reading (35%), Grammar, Punctuation and Spelling (26%) and Mathematics (13%).
- SEND: At the end of Key Stage 2, SEND pupils achieved 60% in Reading, 60% in Writing, 20% in Mathematics and 40% in Grammar, Punctuation and Spelling at or above Age Related Expectations.

KEY FINANCIAL PERFORMANCE INDICATORS

The Academy's primary performance indicator is the relationship of total income, excluding capital grants, with total expense, less depreciation and defined benefit pension adjustments. A relationship of 100% equates to income equalling expense. For 2019 the relationship was 100.66% (2018 – 98.9%) which represents a surplus of income over expense for the year of £4,768. Staffing costs are another key performance indicator and the percentage of total staff costs, excluding catering staff costs, to GAG funding plus Pupil Premium and Special Educational Needs (SEN) payments for the period was 81.4% (2018– 83.4%).

The Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding. However, a key financial performance indicator is the level of reserves (excluding Capital and Pension funds) held at the balance sheet date. At 31 August 2019 these amounted to: £137,717 (2018 - £132,949) representing 23.5% (2018 – 22.5%) of GAG funding.

The majority of the Academy's funding is based on pupil numbers, the Board of Trustees carefully monitor and review pupil numbers as a key performance indicator. As noted above, pupil numbers at the most recent census were 137 at October 2019 (2018: 147) and funding for next year is based on this number. This is lower than the previous census.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees, including all Committees, has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

FINANCIAL REVIEW

The majority of the Academy's income is received from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2019, the total expenditure (less depreciation and pension adjustments) of £720,839 (2018: £724,922) was covered by the recurrent grant funding from the ESFA, together with other incoming resources. The incoming resources (excluding capital grants) for the period over total expenditure (less depreciation, loss on disposal of fixed assets and pension adjustments) was £4,768 (2018: (£4,269) and the trustees will continue to monitor the position taking into consideration the future plans of the Academy, and the uncertainty over future income streams.

The net book value of fixed assets at 31 August 2019 was £1,505,224 (2018: £1,539,635) which includes the value of land and buildings transferred on conversion (1 April 2013) of £1,695,000. The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balances of total funds held at 31 August 2019 were £1,216,310 which comprised of the following:

Restricted funds (excluding pension liability)	£86,503
Restricted pension liability fund	(£433,000)
Restricted fixed asset fund	£1,511,593
Unrestricted funds	£51,214

The key financial policies reviewed and adopted during the period included the Finance Policy, which lays out the framework for the Academy's financial management, including financial responsibilities of the Board of Trustees, Head Teacher, managers, budget holders and other staff, as well as the delegated authorities for spending.

RESERVES POLICY

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match the income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the review.

The Trustees have determined that an appropriate level of reserves (excluding capital and pension reserves) should be held to provide sufficient working capital to cover delays between spending and receipts of grants, to fund on-going capital maintenance and replacement, to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. and to mitigate the impact of key risk factors including declining pupil numbers and employer pension contribution rates. Declining pupil numbers can have a significant impact on income streams; the variable pupil rate in the 2018/2019 budget amounts to £3,160 so a 10% decline in pupil numbers represents a £46,000 reduction in income. Employers' pension contribution rates remain relatively low for the academy but future changes in pension regulations, actuarial assumptions and profile of members may cause an increase in these rates.

The level of reserves needed to meet these 'working capital' requirements has been determined to be an amount not exceeding 10% of average GAG income of the preceding 5 years, this amounts to £62,397. The excess of non-capital and non-pension reserves over this level amount to £75,320, and are 'ear-marked' to a 'Future Development Fund' to be used on projects to enhance the school facility and educational capability. The 'Future Development Fund' should not exceed £100,000 unless a specific project is, or projects are, identified which would require funds in excess of this amount.

The Academy's current level of reserves excluding capital and pension reserves is £137,717 and £75,320 of this is earmarked to a Future Development Fund, which is in line with the policy.

INVESTMENT POLICY

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk. Where cash flow allows, sums in excess of the free cash reserves may be invested on deposit for extended periods with the Academy's principal bankers or other reputable financial institutions.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial

The Academy has considerable reliance on continued Government funding through the ESFA. In the period approximately 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The school has seen a decline in intake numbers for Reception class in the two years. This is closely monitored and evaluated by the Board of Trustees to arrive at appropriate actions.

Failures in governance and/or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession and planning.

Fraud and mismanagement of funds

The Academy has appointed Hazlewoods LLP, the external auditor, to perform a programme of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff received training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained, reviewed and updated on a regular basis.

The Trustees examine the financial health of the Academy formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Resource Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Trustees recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as Trustees consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

The Academy supports fundraising efforts that support the Academy and any pupil led fundraising events that support external charities.

The Academy works with the Friends of Blockley School as the main way of generating funds for the Academy. The Friends of Blockley School is a seperate legal entity with charitable status and funds are held separate to the Academy. The approach taken by the PTA is to raise funds through events and sales, not through individual donations.

The Academy does not work with any commercial participators or professional fundraisers approach to raise funds but organises all events through its staff and volunteers.

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and knowledge for their secondary phase of education.

The Academy actively promotes the continued professional development of its staff.

The Academy's plans for 2019-20 are:-

- To develop a curriculum which is purposeful, adapted to local needs and truly cross curricular;
- To ensure that all assessments are accurate;
- Maths results are at least in line with National at the expected and greater depth standards;
- Use Gloucestershire's Healthy Living and Learning (GHLL) tool to audit the practices in school;
- Develop a number of systems to support and encourage all children to behave in a fair and respectful manner;
- To improve writing such that levels of attainment are at least equal to National Standards at the end of each Key Stage;
- To ensure that teaching and learning of Problem Solving and Reasoning is effective;
- All staff to use practical and concrete tasks in maths;
- To know and use age appropriate times tables;
- For children to use all forms of measurement confidently.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as Custodian Trustees of any other charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on 25 November 2019 and signed on its behalf by:

Hilary Thornburgh 26.11.19

H Thornburgh, Chair of Trustees

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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 Blockley Educational Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
E P Coupe	11	12
K Davies	4	7
Revd D L Delap	10	15
M Chappell	3	3
B Meek	0	5
C Moor	15	16
J Peters	5	12
L Riberzani	9	10
T Sampson	12	12
A Taylor	12	15
H Thornburgh, Chair of Trustees	16	16
M Pudifoot	5	20
S White	14	16

GOVERNANCE REVIEW

This year the Board of Trustees implemented the staff restructuring but made adaptations due to the Head Teacher's absence. Following the appointment of the Deputy Head Teacher as the Acting Head Teacher, outside advice and support was sort to continue to drive up standards. The mission statement was rolled out across the school. Online learning was available for all trustees to complete to ensure they had appropriate training. New trustees were elected to committees during the year according to their skill set.

The Resources Committee is a sub-committee of the Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees on all matters related to finance, resources, personnel and health and safety of the Academy. This includes approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the ESFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to periodic audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

Attendance at meetings in the year of this committee was as follows:

Trustee	Meetings attended	Out of a possible
E P Coupe	5	5
C Moor	4	5
J Peters	1	5
M Pudifoot, Head Teacher and Accounting Officer	1	5
H Thornburgh, Chair	5	5
S White, Acting Head Teacher and Accounting Officer	3	4
T Sampson	5	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher 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 available. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Rigorous recruitment procedures are in place and are regularly reviewed to ensure a high quality and affordable staffing structure is in place;
- Actions were taken to minimise the financial impact caused by staff absences;
- Good procurement practices are followed in achieving Best Value.

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 the Academy's 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 Blockley Educational Academy for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Hazlewoods LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

The Academy received two audit reports during the period and these have not identified any areas of low assurance. These documents are reviewed by the Resource Committee who respond to all recommendations.

We confirm that the Internal Audit function has been delivered in line with the ESFA's requirements. There have been no material control issues arising from the Internal Auditor's reports produced since their appointment to the date of the approval of the financial statements.

REVIEW OF EFFECTIVENESS

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

- 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 Resources Committee and a plan to address any identified weaknesses and ensure continuous improvement of the system is in place.

M Pudifoot and S White have been the Accounting Officers during the period of the accounts. S White was the Accounting Officer during the period of 15 October 2018 – 12 May 2019, M Pudifoot resumed his role as the Accounting Officer as from 11 May 2019 following a period of absence. They have been involved in the completion of the financial statements and the Trustees Report and audit with Hazlewoods LLP, external auditors.

Approved by order of the members of the Board of Trustees on 25 November 2019 and signed on its behalf by:

Hilary Thornburgh
H Thornburgh, Chair of Trustees
26.11.19.

M.A. Pudifoot
M Pudifoot, Accounting Officer

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As Accounting Officer of Blockley Educational Academy I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skill Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 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.

M. A. Pudifoot

M Pudifoot
Accounting Officer

Date: 26/11/2019

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who act as governors of Blockley Educational Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and 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, 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 and the Annual Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 25 November 2019 and signed on its behalf by:

Hilary Thornburgh 26.11.19

H Thornburgh, Chair of Trustees

Opinion

We have audited the financial statements of Blockley Educational Academy for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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.

Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

.....Scott Lawrence..... Date..2/12/19...

Scott Lawrence FCA DChA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor, Cheltenham

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BLOCKLEY EDUCATIONAL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 19th August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blockley Educational Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

RESPECTIVE RESPONSIBILITIES OF BLOCKLEY EDUCATIONAL ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Blockley Educational Academy's funding agreement with the Secretary of State for Education date 1 April 2013, 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In this regard we have carried out the following:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding Academy governance matters during the period since conversion; and
- a general review and discussion of the Academy's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

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

CONCLUSION

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

.....

Date..2/12/19.....

Scott Lawrence FCA DChA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Cheltenham

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:						
Donations	2	8,429	882	-	9,311	13,661
Charitable activities:						
Funding for the School's educational operations	3	23,811	680,520	13,331	717,662	698,699
Other trading activities	4	11,864	-	-	11,864	10,411
Investments	5	101	-	-	101	100
TOTAL		**44,205**	**681,402**	**13,331**	**738,938**	722,871
EXPENDITURE ON:						
Charitable activities:						
School's educational operations	7	56,171	685,668	48,869	790,708	807,145
TOTAL		**56,171**	**685,668**	**48,869**	**790,708**	807,145
NET (EXPENDITURE) C/F		**(11,966)**	**(4,266)**	**(35,538)**	**(51,770)**	(84,274)

BLOCKLEY EDUCATIONAL ACADEMY
(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 £
NET (EXPENDITURE) B/F	(11,966)	(4,266)	(35,538)	(51,770)	(84,274)
Transfers between funds	-	-	-	-	-
NET (EXPENDITURE) FOR THE YEAR	**(11,966)**	**(4,266)**	**(35,538)**	**(51,770)**	(84,274)
Actuarial (loss)/gain on defined benefit pension schemes	-	(160,000)	-	(160,000)	69,000
NET MOVEMENT IN FUNDS	**(11,966)**	**(164,266)**	**(35,538)**	**(211,770)**	(15,274)
RECONCILIATION OF FUNDS					
Total funds brought forward	63,180	(182,231)	1,547,131	1,428,080	1,443,354
Total funds carried forward	**51,214**	**(346,497)**	**1,511,593**	**1,216,310**	1,428,080

All activities relate to continuing operations.

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

The notes on pages 28 to 48 form part of these financial statements.

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2019

Registration number: 08434233

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		1,505,224		1,539,635
CURRENT ASSETS					
Debtors	12	27,961		27,944	
Cash at bank and in hand		175,809		161,278	
		203,770		189,222	
LIABILITIES					
Creditors: Amounts falling due within one year	13		(59,684)		(48,777)
NET CURRENT ASSETS			144,086		140,445
TOTAL ASSETS LESS CURRENT LIABILITIES			1,649,310		1,680,080
Defined benefit pension scheme liability	23		(433,000)		(252,000)
TOTAL NET ASSETS			1,216,310		1,428,080
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	14	86,503		69,769	
Restricted fixed asset funds	14	1,511,593		1,547,131	
Restricted funds excluding pension liability		1,598,096		1,616,900	
Pension reserve		(433,000)		(252,000)	
Total restricted funds	14		1,165,096		1,364,900
Unrestricted income funds	14		51,214		63,180
TOTAL FUNDS			1,216,310		1,428,080

The financial statements were approved by the Trustees, and authorised for issue, on 25 November 2019 and are signed on their behalf, by:

Hilary Thornburgh 26.11.19

H Thornburgh, Chair of Trustees

BLOCKLEY EDUCATIONAL ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	18	15,557	(2,095)
Cash flows from investing activities	19	(1,026)	3,977
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		14,531	1,882
Cash and cash equivalents at 1 September 2018		161,278	159,396
CASH AND CASH EQUIVALENTS AT 31 AUGUST 2019	20	175,809	161,278

1 STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

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

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 one year from the date of approval of the financial statements. This is discussed in the Trustees' Report above.

Income

All income is included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Academy being notified of an impending distribution or the legacy being received.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

The value of donated services and gifts in kind provided to the School are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the School's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised in the period in which a liability is incurred and has been classified under the headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Expenditure on Raising Funds: This includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and charitable trading.

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

Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	- 25 years straight line
Plant & Machinery	- 15 years straight line
Fixtures and fittings	- 33% reducing balance
Computer equipment	- 33% reducing balance

Motor vehicles and computer equipment transferred from the predecessor school were transferred at depreciated cost and are depreciated over the useful life from original purchase.

Leasehold property and Fixtures and fittings transferred from the predecessor school were transferred at an estimate of depreciated replacement cost and are treated as if purchased at that date.

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.

Lease Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity'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.
None are included in this model but if relevant the suggested disclosure could be as follows, with valuation in line with the SORP 2015.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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 charity's wholly owned subsidiary are held at face value less any impairment.

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Fund accounting (continued)

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and the Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. . The Governors do not consider that they have made any critical judgements apart from those involving estimation in the preparation of the financial statements.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 DONATIONS

	UnRestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other donations	8,429	882	9,311	13,661
	8,429	882	9,311	13,661

Income from donations and voluntary income in 2018 was £13,661 of which £10,448 was unrestricted funds and £3,213 was restricted funds.

3 FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Restricted Fixed Asset Fund 2019 £	Total Funds 2019 £	Total Funds 2018 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	585,501	-	585,501	591,690
Other DfE/ESFA grants	-	67,767	-	67,767	60,121
Capital grants	-	-	13,331	13,331	5,631
	-	653,268	13,331	666,599	657,442
Other government grants					
Local authority grants	-	237	-	237	6,150
Other funding					
Other income	23,811	27,015	-	50,826	35,107
	23,811	680,520	13,331	717,662	698,699

Funding for school's educational operations in 2018 was £698,699, of which £688,247 was restricted funds.

Under the funding agreement with the Secretary of State the School was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The School has not exceeded these limits during the year ended 31 August 2019.

4 OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Before and After school care	9,361	-	9,361	7,491
Tuition fees	2,496	-	2,496	2,765
Other income	7	-	7	155
	11,864	-	11,864	10,411

Income from other trading activities in 2018 was £10,411, all of which was unrestricted funds.

5 INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest	101	-	101	100

Income from investment income in 2018 was £100 of which all was unrestricted funds.

6 EXPENDITURE

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Educational operations					
- Direct Costs (note 7)	390,133	-	31,370	421,509	462,344
- Allocated Support Costs - (note 7)	162,722	61,262	145,215	369,199	344,801
	552,855	61,262	176,591	790,708	807,145

Expenditure on Educational operations in 2018 was £807,145 of which £38,214 was unrestricted funds, £715,295 was restricted funds and £53,636 was restricted fixed asset funds.

Net income/(expenditure) for the period includes:

	2019 £	2018 £
Depreciation of tangible fixed assets owned by the charity	48,869	50,223
Loss on disposal of tangible fixed assets	-	3,413
Operating lease rentals	22,325	18,837
Fees paid to auditor for:		
- Audit	6,500	6,425
- Other services	2,100	3,065

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total funds 2019 £	Total funds 2018 £
DIRECT COSTS		
Educational supplies	31,376	38,864
Wages and salaries	308,054	336,475
National insurance	23,533	25,442
Pension cost	58,546	61,563
	421,509	462,344
SUPPORT COSTS		
Pension expense	21,000	32,000
Maintenance of premises	15,371	21,799
Rent and rates	27,781	20,664
Light and heat	8,983	7,484
Insurance	9,127	8,185
Catering	25,394	23,937
Other support costs	24,212	25,953
Legal and professional	39,755	24,636
Loss on disposal	-	3,413
Wages and salaries	113,512	89,799
National insurance	4,188	3,932
Pension cost	24,022	23,286
Depreciation	48,869	50,223
Governance costs	6,985	9,490
	369,199	344,801
	790,708	807,145

8 STAFF

a. Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	421,566	426,274
Social security costs	27,721	29,374
Operating costs of defined benefit pension schemes	82,568	84,849
Pension expense	21,000	32,000
Total	552,855	572,497

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

Charitable Activities	2019	2018
	No.	No.
Teachers	6	7
Support	8	10
Management	1	1

c. Higher paid staff

No employee received remuneration, excluding employer pension, amounting to more than £60,000 in 2018 or 2019.

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £162,142 (2018: £187,709).

9 GOVERNORS' REMUNERATION AND EXPENSES

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees also did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration, including employer pension contributions, fell within the following bands:

	2019	2018
	£	£
M Pudifoot	55,000-60,000	60,000-65,000
S L White	50,000-55,000	35,000-40,000
K Davies	30,000-35,000	25,000-30,000
G L Jones	-	15,000-20,000

During the year, No Trustee received reimbursement of expenses incurred in their role as Trustee (2018: No trustee).

10 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited cover on any one claim and the cost for the year ended 31 August 2019 was £2,900 (2018: £2,940). The cost of this insurance is included in the total insurance cost and relates to a multiple-line policy provided by the ESFA.

11 TANGIBLE FIXED ASSETS

	Long leasehold property £	Plant and machinery £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
As at 1 September 2018	1,695,000	48,873	40,264	21,868	1,806,005
Additions	-	-	5,915	8,543	14,458
At 31 August 2019	1,695,000	48,873	46,179	30,411	1,820,463
Depreciation					
At 1 September 2018	208,434	13,032	33,192	11,712	266,370
Charge for the year	38,480	3,258	3,310	3,821	48,869
At 31 August 2019	246,914	16,290	36,502	15,533	315,239
Net book value					
At 31 August 2019	1,448,086	32,583	9,677	14,878	1,505,224
At 31 August 2018	1,486,566	35,841	7,072	10,156	1,539,635

Included in long term leasehold property is land of £733,000 which is not depreciated.

12 DEBTORS

	2019	2018
	£	£
VAT refund	3,028	1,091
Other debtors	15,122	10,399
Prepayments and accrued income	9,811	16,454
	27,961	27,944

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Taxation and social security	16,351	18,025
Accruals and deferred income	43,333	30,752
	59,684	48,777

	£
Deferred Income	
Deferred income at 1 September 2018	14,165
Resources deferred during the year	13,603
Amounts released from previous years	(14,165)
Deferred income at 31 August 2019	13,603

Deferred Income

Deferred income relates to Universal Infant Free School Meals grant which will be utilised in the year ending 31 August 2020.

14 STATEMENT OF FUNDS (2018/19),

The income funds of the School comprise the following balances of grants to be applied for specific purposes:

	Balance at 31 August 2018	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted funds					
General Annual Grant (GAG)	28,149	585,501	(590,408)	-	23,242
Other DfE/ESFA Grants	32,793	68,004	(60,175)	-	40,622
Other income fund	8,683	27,015	(13,203)	-	22,495
Pension reserve	(252,000)	-	(21,000)	(160,000)	(433,000)
Other restricted funds	144	882	(882)	-	144
	(182,231)	681,402	(685,668)	(160,000)	(346,497)
Restricted fixed asset funds					
Assets transferred on conversion	1,481,776	-	(38,480)	-	1,443,296
Devolved formula grant	9,676	13,331	(4,848)	-	18,159
Devolved formula Grant- unutilised	12,018	-	-	-	12,018
Kitchen grant	33,918	-	(3,258)	-	30,660
Playground equipment donation	4,807	-	(687)	-	4,120
Goal post donation	922	-	(139)	-	783
Fencing grant	1,513	-	(632)	-	881
Friends of School donation	2,501		(825)	-	1,676
	1,547,131	13,331	(48,869)	-	1,511,593
Total restricted funds	1,364,900	694,733	(734,537)	(160,000)	1,165,096
Unrestricted funds	63,180	44,205	(56,171)	-	51,214
Total of funds	1,428,080	738,938	(790,708)	(160,000)	1,216,310

14 STATEMENT OF FUNDS (2017/18)

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

The income funds of the School comprise the following balances of grants to be applied for specific purposes:

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds						
General Annual Grant (GAG)	67,973	591,690	(631,514)	-	-	28,149
Other DfE/ESFA Grants	5,043	44,594	(16,844)	-	-	32,793
Other income fund	8,444	10,286	(10,047)	-	-	8,683
Pension reserve	(289,000)	-	(32,000)	-	69,000	(252,000)
Other restricted funds	144	24,890	(24,890)	-	-	144
	(207,396)	671,460	(715,295)	-	69,000	(182,231)
Restricted fixed asset funds						
Assets transferred on conversion	1,522,987	-	(41,211)	-	-	1,481,776
Devolved formula grant	9,804	5,631	(5,759)	-	-	9,676
Devolved formula Grant-utilised	12,018	-	-	-	-	12,018
Kitchen grant	37,176	-	(3,258)	-	-	33,918
Playground equipment donation	5,833	-	(1,026)	-	-	4,807
Goal post donation	1,129	-	(207)	-	-	922
Fencing grant	2,457	-	(944)	-	-	1,513
Friends of School donation	3,732	-	(1,231)	-	-	2,501
	1,595,136	5,631	(53,636)	-	-	1,547,131
Total restricted funds	1,387,740	677,090	(768,931)	-	69,000	1,364,900
Unrestricted funds	55,614	45,780	(38,214)	-	-	63,180
Total of funds	1,443,354	722,871	(807,145)	-	69,000	1,428,080

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

Restricted fund:

The General Annual Grant Fund (GAG) is used for the educational purposes in line with the Academy's objects and its funding agreement with the ESFA.

Other DfE/ESFA grants are used to provide specific support for children.

The Local Authority grant consists of high needs funding which is used to provide specialist support for the children.

Other income fund comprises income raised to be used for educational purposes.

The Pension Reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Restricted fixed asset fund:

Fixed assets transferred on conversion represent the land and buildings and other assets transferred to the Academy from Gloucestershire County Council on conversion.

The devolved formula capital grant will be used to fund capital expenditure.

The kitchen grant was used to cover the refurbishment of the Academy kitchen.

The playground equipment donation was used to purchase new playground equipment.

The goal post donation was used to purchase goal posts for the playing fields.

The fencing grant was used to replace the fencing around the Academy.

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

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	-	-	1,505,224	-	1,505,224	1,539,635
Current assets	51,214	146,187	6,369	-	203,770	189,222
Creditors due within one year	-	(59,684)	-	-	(59,684)	(48,777)
Provisions for liabilities and charges	-	(433,000)	-	-	(433,000)	(252,000)
	51,214	(346,497)	1,511,593	-	1,216,310	1,428,080

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	-	-	1,539,635	-	1,539,635	1,591,517
Current assets	63,180	118,546	7,496	-	189,222	190,544
Creditors due within one year	-	(48,777)	-	-	(48,777)	(49,707)
Provisions for liabilities and charges	-	(252,000)	-	-	(252,000)	(289,000)
	63,180	(182,231)	1,547,131	-	1,428,080	1,443,354

16 CAPITAL COMMITMENTS

At 31 August 2019 the School had neither capital commitments contracted for nor not provided in the financial statements (2018: £Nil).

17 FINANCIAL COMMITMENTS

Operating leases

At 31 August 2019 the Academy had annual commitments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Land and Buildings		
Commitments within one year	18,352	17,860
Commitments within two and five years inclusive	-	-
Other		
Commitments within one year	1,366	1,251
Commitments within two and five years inclusive	3,421	2,259
	23,139	21,370

18 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(51,770)	(84,274)
Adjusted for:		
Depreciation (note 11)	48,869	50,223
Loss on disposal of tangible fixed assets	-	3,413
Capital grants from DfE and other capital income	(13,331)	(5,631)
Interest receivable (note 5)	(101)	(100)
Defined benefit pension scheme finance cost (note 22)	21,000	32,000
(Increase)/decrease in debtors	(17)	3,204
(Decrease)/increase in creditors	10,907	(930)
Net cash provided by Operating Activities	15,557	(2,095)

19 CASH FLOWS FROM INVESTING ACTIVITIES

	2019	2018
	£	£
Dividends, interest and rents from investments	101	100
Purchase of tangible fixed assets	(14,458)	(1,754)
Capital grants from DfE/ESFA	13,331	5,631
Net cash (used in)/provided by investing activities	(1,026)	3,977

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2019	At 31 August 2018
	£	£
Cash in hand and at bank	175,809	161,278
Total cash and cash equivalents	175,809	161,278

21 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.

22 CONTINGENT LIABILITIES

Guaranteed Minimum Pension (GMP) Equalisation is a requirement to equalise the Guaranteed Minimum Pension benefits accrued between 1990 and 1997 from contracting out of the State Earnings Related Pension Scheme based on the principles outlined in the judgement of the "Lloyds Bank" High Court case in October 2018. The actuarial valuation prepared for the Local Government Pension Scheme (as disclosed in Note 26) does not currently included an adjustment for GMP Equalisation, as the fund actuary considers that a 'trigger event ' is yet to occur in the LGPS. The trigger event referred to in this instance is that Government are yet to confirm the long term solution and hence the potential impact of GMP equalisation remains an unknown. In view of this continuing uncertainty, no provision has been made in these financial statements in relation to this matter.

23 PENSION COMMITMENTS

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

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

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

23 PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers will pay an increased contribution rate of 23.6% from September 2019 (plus an administration levy of 0.08%).

The pension costs paid to TPS in the period amounted to £66,657 (2018: £69,287).

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

23 PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 102), the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £49,000 (2018: £47,000), of which employer's contributions totalled £41,000 (2018: £39,000) and employees' contributions totalled £8,000 (2018: £8,000). The agreed contribution rates for future years are 25.1% for employers and 5.5% 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	At 31 August 2019	At 31 August 2018
Discount rate for scheme liabilities	1.9%	2.6%
Rate of increase in salaries	2.6%	2.3%
Rate of increase for pensions in payment / inflation	2.3%	2.8%
Inflation assumption (CPI)	6.5%	5.5%
Expected return on assets	2.4%	2.4%

Sensitivity analysis

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

	Approximate increase to employer liability	Approximate monetary amount
Change in assumptions at year ended 31 August 2019		
0.5% decrease in Real Discount Rate	15%	114,000
0.5% increase in the Salary Increase Rate	1%	10,000
0.5% increase in the Pension Increase Rate	13%	103,000

23 PENSION COMMITMENTS (continued)

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

	2019	2018
Retiring today		
Males	22.4	22.4
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.0
Females	26.4	26.4

The School's share of assets and liabilities in the scheme and the expected rates of return were:

	Expected Return at 31 August 2019 %	Fair value at 31 August 2019 £	Expected return at 31 August 2018 %	Fair value at 31 August 2018 £
Equities	6.5	230,100	2.5	209,520
Government Bonds	6.5	88,500	2.5	55,290
Property	6.5	28,320	2.5	20,370
Cash/liquidity	6.5	7,080	2.5	5,820
Total market value of assets		354,000		291,000
Present value of scheme liabilities: Funded		(787,000)		(543,000)
Deficit in the scheme		(433,000)		(252,000)

The actual return on scheme assets was £11,000 (2018: £8,000)

Amounts recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost (net of employee contributions)	56,000	63,000
Past service cost	1,000	-
	57,000	63,000
Analysis of pension finance income/(costs)		
Expected return on scheme assets	11,000	6,000
Interest on obligation	(16,000)	(14,000)
Pension finance income/(costs)	(5,000)	(8,000)

23 PENSION COMMITMENTS (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities is £nil (2018: £nil).

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

	2019	2018
	£	£
At 1 September	543,000	524,000
Current service cost	56,000	63,000
Past service cost	1,000	-
Interest cost	16,000	14,000
Employee contributions	8,000	8,000
Actuarial gains/(losses)	169,000	(61,000)
Benefits paid	(6,000)	(5,000)
At 31 August	787,000	543,000

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

	2019	2018
	£	£
At 1 September	291,000	235,000
Expected return on assets	11,000	6,000
Actuarial gains/(losses)	9,000	8,000
Employer contributions	41,000	39,000
Employee contributions	8,000	8,000
Benefits paid	(6,000)	(5,000)
At 31 August	354,000	291,000

The estimated value of employer contributions for the year ended 31 August 2019 is £41,000 (2018: £41,000).

24 RELATED PARTY TRANSACTIONS

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

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures.

25 REVISION BY REPLACEMENT OF DEFECTIVE ACCOUNTS

The Trustees (who are also Directors of the charitable company) have previously approved and filed at Companies House the financial statements of the company for the year ended 31 August 2019. In compliance with section 454 of the Companies Act 2006, the Directors have prepared these revised accounts to replace those identified above. In respect of these revised accounts:

- they replace the original annual accounts for the year ended 31 August 2019;
- they are now the statutory accounts of the company for that financial year;
- they have been prepared as at the date of the original annual accounts and not at the date of revision and accordingly do not deal with events between these dates;
- they include revised wording on page 8 of the accounts with regards to the financial performance of the company for the year.