

Registration number: 08217604

Robert Bakewell Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Haines Watts Leicester LLP
Chartered Accountants and Registered Auditors
Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Robert Bakewell Primary School

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Robert Bakewell Primary School

Reference and Administrative Details

Members	David Freer Donna Sherratt
Governors and Trustees (Directors)	Jon Bishop (Headteacher) Donna Alexander Joanne Barber Steven Brown David Freer Donna Sherratt (Chair of Trustees) Victoria Freer Andrew Reed Mary Bishop (appointed 14 October 2018)
Head Teacher	Jon Bishop
Senior Management Team	Jon Bishop, Headteacher Anne Gillon, Deputy Headteacher Clare Rushby, KS2 lead Katie Hayden, KS1 lead Sital Odedra, EYFS lead
Principal and Registered Office	Barsby Drive Loughborough Leicestershire LE11 5JU
Company Registration Number	08217604
Auditors	Haines Watts Leicester LLP Chartered Accountants and Registered Auditors Hamilton Office Park 31 High View Close Leicester LE4 9LJ
Bankers	Natwest Bank Market Place Loughborough Leicestershire LE11 3NZ
Solicitors	Leicester County Council Legal Services County Hall Glenfield Leicester LE3 8RA

Robert Bakewell Primary School

Trustees' Report for the Year Ended 31 August 2019

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

The Trust operates and Academy for pupils aged 4 to 11 serving the Dishley catchment area in Loughborough. It has a pupil capacity of 390 and had a roll of 338 in the school census in Autumn 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08217604.

The governors act as the trustees for the charitable activities of Robert Bakewell Primary School and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £3,000,000 and in the year of review the sum of £288 was paid in premiums (2018: £264).

Robert Bakewell Primary School

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

Method of recruitment and appointment or election of Trustees

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

- The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher or any post which is held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.
- Up to six parent Trustees shall be elected by parents of registered pupils at the Academy. A parent Governor must be a parent of a pupil at the Academy at the time when he or she is elected.
- Up to four staff Trustees shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). If a staff Governor ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy. Any election of a staff Governor which is contested shall be held by secret ballot.
- The Trustees may appoint co-opted Trustees. A 'co-opted Governor' means a person who is appointed to be a Governor by being co-opted by Trustees who have not themselves been so appointed. Trustees are subject to retirement or re-election at the end of their four year term of office unless the eligibility conditions listed above prevail.

Policies and procedures adopted for the induction and training of Trustees

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

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

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

Robert Bakewell Primary School

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

Organisational structure

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

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

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

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

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

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

The sub committees of the Board of Trustees are:

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

The other committee is:

- The Appeals Committee

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

Arrangements for setting pay and remuneration of key management personnel

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

Robert Bakewell Primary School

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

Connected organisations, including related party relationships

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

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

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

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

Objectives and activities

Objects and aims

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

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

Objectives, strategies and activities

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

Improve leadership and management by ensuring that:

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

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

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

Robert Bakewell Primary School

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

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

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

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

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

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

Improve pupils' personal development, behaviour and welfare by:

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

Public benefit

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

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

Robert Bakewell Primary School

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

Strategic Report

Achievements and performance

Early Years Foundation Stage:

Good level of development: 80%

Year one phonic screening check:

87% pass.

Key stage one results summary:

Y2 attainment	Percentage of pupils reaching the expected standard	Percentage of pupils working at greater depth
Reading	77%	27%
Writing	77%	21%
Mathematics	77%	19%

Key Stage Two results summary:

Y6	Percentage of pupils reaching the expected standard	Percentage of pupils working at greater depth
Reading Test	65%	24%
Writing Teacher Assessment	76%	12%
EGPS test	71%	27%
Maths Test	56%	18%

- Results in EYFS have continued to rise over five years and are now above the national average.
- Phonic check results are maintain their level above national averages.
- KS1 results have been maintained above national this year, with slight increases in greater depth
- KS2 have maintained their level of improvement in all areas except maths where there has been a dip. Initial analysis shows accuracy and confidence, not subject knowledge, are the key factors for this drop.

Robert Bakewell Primary School

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

Strategic Report

Key performance indicators

- The early years foundation stage is graded as 'outstanding' by Ofsted for the second cycle running. Leadership and management is graded as 'good'. All other areas are graded as RI.
- Significant changes during the 2018/19 academic year included:
 - The school's foundation stage scores are above national averages, despite children entering school with scores below or well below national averages. They have risen every year for five years
 - The school's phonic check scores are above national averages;
 - KS1 results are higher this year, with progress from end of EYFS - end of KS1 is good.
 - KS2 results have maintained the standard from last year, with improvement at greater depth. Results for writing are in line with the national average, but there is more to do in reading and maths.
 - Parent questionnaires express very good levels of approval of the school's work. In a survey, over 90% of parents agreed with the statements 'my child is making good progress at school', 'my child is taught well at this school' and 'my child enjoys coming to this school'
 - Children's views of the school (found through pupil discussions conducted by Trustees and other managers) are overwhelmingly positive.

OFSTED in March 2019:

It recognises that, "The school is inclusive and values every pupil... Leaders have maintained the outstanding quality of education that children receive in the early years... Teachers and teaching assistants have positive relationships with pupils. They know pupils well and work hard to build their independence and resilience" This document will now be a useful tool in aiding Robert Bakewell's continuing journey into the future and ensuring sustained progress is built upon the successes of the past couple of years

It was noted that "The recently appointed headteacher, along with other senior leaders and trustees, has acted swiftly to ensure that robust plans and systems are in place to tackle areas of weakness. As a result, the school's overall effectiveness requires improvement, but the quality of education pupils receive is rapidly improving because of effective leadership and management." This is strengthened by the report's comment on governance: "Trustees are a highly effective team... They receive detailed reports from leaders about the effectiveness of actions taken to improve the school's performance... Many trustees make visits to the school to meet with leaders, speak with pupils and examine the impact of leaders' actions on improving the quality of education pupils receive. Because of this, they have a clear understanding of the school's strengths and weaknesses"

Going concern

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

Robert Bakewell Primary School

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

Strategic Report

Financial review

The Academy had a net increase in funds for the year ended 31 August 2019 of £29,766, including fixed assets movements but excluding pension reserve movements. As at 31 August 2019 the Academy held £81,214 of unrestricted reserves plus £388,832 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £470,046.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £670,000 at 31 August 2019 and a fixed asset reserve of £3,372,299 being the book value of past purchases.

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

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

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

Reserves policy

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

Actual free reserves plus unspent GAG as at 31 August 2019 were £470,046 being in excess of the target level set by the Trustees by approximately £220,000. Funds in excess of target will be invested in developing and maintaining the school site, both internally and externally, with assistance from any capital grants such as Devolved Formula Capital and Condition Improvement Funding.

Total available reserves at 31 August 2019 were £470,046. Cash at bank at 31 August 2019 was £18,778 higher than total available reserves due principally to PAYE/NI and pension costs for August 2019 being paid over in September 2019 and Universal Infant Free School Meals income received in advance of 2019/20.

At 31 August 2019 the Academy's fixed asset reserve of £3,372,299 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £670,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

Investment policy

The Academy currently does not have any investments.

Robert Bakewell Primary School

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

Strategic Report

Principal risks and uncertainties

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

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

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

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

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

1. Government funding

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

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

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

2. Maintain adequate funding of pension liabilities

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

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

Robert Bakewell Primary School

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

Strategic Report

3. Pupil Strategy

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

- Ensuring the Academy delivers high quality education;
- Maintaining good success rates and good inspection outcomes;
- Investing in its teaching staff and resources;
- Maintaining good relationships with parents and the community;
- Liaising with the Local Authority on numbers of prospective pupils who have been born in the Academy's catchment area. This has risen substantially in the last five years.

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

Fundraising

Fundraising has been limited to small events held to raise funds for external charities, such as non-uniform days. These funds are paid across in full to the nominated charities. During this accounts period, we supported MacMillan Coffee Morning, Children in Need and Christmas Jumper Day.

The school has a connected charity, The Robert Bakewell Parents and Friends Association which was established for the purpose of supporting the school in a manner determined by its own independent board. These funds are under the control of this independent board, not the academy. In line with the Academies Accounts Direction 2018 to 2019 (SORP 2015) some summary details of this charity's activities are included in note 10 to the financial statements.

Plans for future periods

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

Robert Bakewell Primary School

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

Funds held as Custodian Trustee on behalf of others

No funds are held on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

Reappointment of auditor

The auditors Haines Watts Leicester LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:

.....
Donna Sherratt (Chair of Trustees)
Governor and trustee

Robert Bakewell Primary School

Governance Statement

Scope of responsibility

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

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

Governance

The governance framework of the Academy is as follows:

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

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

The subcommittees of the Board of Trustees are:

- Leadership and Management Committee
- Teaching and Learning Committee

The other committee is:

- The Appeals Committee

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

Trustee	Meetings attended	Out of a possible
David Freer	4	5
Steven Brown	1	5
Joanne Barber	5	5
Jon Bishop (Headteacher)	5	5
Donna Alexander	3	5
Victoria Freer	5	5
Andrew Reed	5	5
Donna Sherratt (Chair of Trustees)	4	5
Mary Bishop	2	5

Robert Bakewell Primary School

Governance Statement (continued)

Mary Bishop joined the board of trustees, following the resignation of Agnieszka Stefaniak.

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

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

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

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

Governance reviews

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

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

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

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

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

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

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

The Leadership and Management Committee is a sub-committee of the main Board of Trustees. Its purpose is to examine income and expenditure, financial performance and policy responsibilities, with delegated authority from the full Board of Trustees. Attendance at meetings during the year was as follows:

Robert Bakewell Primary School

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Donna Alexander	1	3
Joanne Barber	3	3
Mary Bishop	2	2
Jon Bishop (Headteacher)	3	3
Steven Brown	2	3
David Freer	3	3
Andrew Reed	2	3

Review of value for money

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

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

- Joint procurement with other schools in the loose collaborative partnership
- Improved foundation stage, phonic check scores, and Key Stage One attainment, and improved pupil progress scores in all key stages.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Robert Bakewell Primary School 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

Robert Bakewell Primary School

Governance Statement (continued)

- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council as internal auditor

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

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

On an annual basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

The latest internal audit visit was September 2019. No material control issues were identified as a result of the internal auditor's review of work.

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:

.....
Donna Sherratt (Chair of Trustees)
Governor and trustee

.....
Jon Bishop
Accounting officer
Head Teacher

Robert Bakewell Primary School

Statement on Regularity, Propriety and Compliance

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

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

.....
Jon Bishop
Accounting officer

9 December 2019

Robert Bakewell Primary School

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 9 December 2019 and signed on its behalf by:

.....
Donna Sherratt (Chair of Trustees)
Governor and trustee

Robert Bakewell Primary School

Independent Auditor's Report on the Financial Statements to the Members of Robert Bakewell Primary School

Opinion

We have audited the financial statements of Robert Bakewell Primary School (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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'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 (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Robert Bakewell Primary School

Independent Auditor's Report on the Financial Statements to the Members of Robert Bakewell Primary School (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 judgement 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Robert Bakewell Primary School

Independent Auditor's Report on the Financial Statements to the Members of Robert Bakewell Primary School (continued)

- 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'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

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's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Richard Buckby FCA (Senior Statutory Auditor)
For and on behalf of Haines Watts Leicester LLP, Statutory Auditor

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date:.....

Robert Bakewell Primary School

Independent Reporting Accountant's Report on Regularity to Robert Bakewell Primary School and the Education & Skills Funding Agency

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

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 28 November 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 from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Robert Bakewell Primary School

Independent Reporting Accountant's Report on Regularity to Robert Bakewell Primary School and the Education & Skills Funding Agency (continued)

Conclusion

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

.....
Richard Buckby FCA
For and on behalf of Haines Watts Leicester LLP, Chartered Accountants

Hamilton Office Park
31 High View Close
Leicester
LE4 9LJ

Date:.....

Robert Bakewell Primary School

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	-	-	21,482	21,482
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,620,407	-	1,620,407
Other trading activities	4	966	-	-	966
Total		<u>966</u>	<u>1,620,407</u>	<u>21,482</u>	<u>1,642,855</u>
Expenditure on:					
Raising funds	5	320	-	-	320
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,599,176	95,592	1,694,768
Total		<u>320</u>	<u>1,599,176</u>	<u>95,592</u>	<u>1,695,088</u>
Net income/(expenditure)		646	21,231	(74,110)	(52,233)
Transfers between funds		-	(69,600)	69,600	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	(203,000)	-	(203,000)
Net movement in funds/(deficit)		646	(251,369)	(4,510)	(255,233)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>80,568</u>	<u>(29,798)</u>	<u>3,376,809</u>	<u>3,427,579</u>
Total funds/(deficit) carried forward at 31 August 2019		<u><u>81,214</u></u>	<u><u>(281,167)</u></u>	<u><u>3,372,299</u></u>	<u><u>3,172,346</u></u>

Robert Bakewell Primary School

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	-	601	7,735	8,336
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,572,155	-	1,572,155
Other trading activities	4	12,449	-	-	12,449
Total		<u>12,449</u>	<u>1,572,756</u>	<u>7,735</u>	<u>1,592,940</u>
Expenditure on:					
Raising funds	5	10,801	-	-	10,801
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,457,397	90,227	1,547,624
Total		<u>10,801</u>	<u>1,457,397</u>	<u>90,227</u>	<u>1,558,425</u>
Net income/(expenditure)		1,648	115,359	(82,492)	34,515
Transfers between funds		-	(15,526)	15,526	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	92,000	-	92,000
Net movement in funds/(deficit)		1,648	191,833	(66,966)	126,515
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>78,920</u>	<u>(221,631)</u>	<u>3,443,775</u>	<u>3,301,064</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>80,568</u>	<u>(29,798)</u>	<u>3,376,809</u>	<u>3,427,579</u>

Robert Bakewell Primary School
(Registration number: 08217604)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	3,372,299	3,376,809
Current assets			
Stocks	12	3,237	2,507
Debtors	13	54,638	41,475
Cash at bank and in hand		<u>488,824</u>	<u>477,250</u>
		546,699	521,232
Creditors: Amounts falling due within one year	14	<u>(76,652)</u>	<u>(85,462)</u>
Net current assets		<u>470,047</u>	<u>435,770</u>
Total assets less current liabilities		<u>3,842,346</u>	<u>3,812,579</u>
Net assets excluding pension liability		3,842,346	3,812,579
Pension scheme liability	22	<u>(670,000)</u>	<u>(385,000)</u>
Net assets including pension liability		<u><u>3,172,346</u></u>	<u><u>3,427,579</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		388,832	355,202
Restricted fixed asset fund		3,372,300	3,376,809
Restricted pension fund		<u>(670,000)</u>	<u>(385,000)</u>
		3,091,132	3,347,011
Unrestricted funds			
Unrestricted general fund		<u>81,214</u>	<u>80,568</u>
Total funds		<u><u>3,172,346</u></u>	<u><u>3,427,579</u></u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 9 December 2019 and signed on their behalf by:

.....
Donna Sherratt (Chair of Trustees)
Governor and trustee

Robert Bakewell Primary School

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	81,175	193,416
Cash flows from investing activities	19	<u>(69,601)</u>	<u>(15,526)</u>
Change in cash and cash equivalents in the year		11,574	177,890
Cash and cash equivalents at 1 September		<u>477,250</u>	<u>299,360</u>
Cash and cash equivalents at 31 August	20	<u><u>488,824</u></u>	<u><u>477,250</u></u>

Robert Bakewell Primary School

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

1 Accounting policies

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

Basis of preparation

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

Going concern

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

Income

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

Grants

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

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

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

Donations

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Other income

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

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

A review 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.

Asset class	Depreciation method and rate
Leasehold land	over 125 years
Leasehold buildings	2% straight line
Furniture and fixtures	25% straight line
Computer equipment	33% straight line

Liabilities

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

Provisions

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

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

Leased assets

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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 [X]. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes [X]. 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.

Stock

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

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within 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 trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 31/08/2019. 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.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment, and note 1.1 for the useful economic lives for each class of assets.

2 Donations and capital grants

	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	21,482	21,482	7,735
Other donations	-	-	601
	<u>21,482</u>	<u>21,482</u>	<u>8,336</u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,393,596	1,393,596	1,361,565
Other DfE Group grants	195,172	195,172	184,814
	<u>1,588,768</u>	<u>1,588,768</u>	<u>1,546,379</u>
Other government grants			
Local Authority grants	31,639	31,639	25,776
Total grants	<u>1,620,407</u>	<u>1,620,407</u>	<u>1,572,155</u>

4 Other trading activities

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	61	61	-
Other income	905	905	1,733
Breakfast and after school club	-	-	10,716
	<u>966</u>	<u>966</u>	<u>12,449</u>

5 Expenditure

	Non Pay Expenditure			2018/19 Total £	2017/18 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	-	-	320	320	10,801
Academy's educational operations					
Direct costs	1,029,286	70,901	55,045	1,155,232	1,108,449
Allocated support costs	289,639	91,070	158,827	539,536	439,175
	<u>1,318,925</u>	<u>161,971</u>	<u>214,192</u>	<u>1,695,088</u>	<u>1,558,425</u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19	2017/18
	£	£
Operating lease rentals	826	795
Depreciation	95,592	90,227
Fees payable to auditor - audit	5,300	5,410
- other audit services	750	702
	750	702

6 Charitable activities

	2018/19	2017/18
	£	£
Direct costs - educational operations	1,155,232	1,108,449
Support costs - educational operations	539,536	439,175
	1,694,768	1,547,624

	Educational operations	2018/19	2017/18
	£	Total	Total
		£	£
Analysis of support costs			
Support staff costs	289,639	289,639	225,304
Depreciation	24,691	24,691	22,557
Technology costs	9,018	9,018	6,701
Premises costs	66,379	66,379	60,442
Other support costs	142,081	142,081	114,778
Governance costs	7,728	7,728	9,393
	539,536	539,536	439,175

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Staff

Staff costs

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	956,997	921,334
Social security costs	73,988	70,021
Operating costs of defined benefit pension schemes	254,905	221,321
	1,285,890	1,212,676
Supply staff costs	33,035	6,058
Staff restructuring costs	-	7,297
	1,318,925	1,226,031
		2018 £
Staff restructuring costs comprise:		
Redundancy payments		7,297

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	16	20
Administration and support	41	31
Management	1	1
	58	52

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	2	1

The above employees contributed in the Teachers Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff member amounted to £18,534 (2018: £10,109).

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Staff (continued)

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £267,498 (2018: £338,946).

8 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Jon Bishop (Head teacher):

Remuneration: £60,000 - £65,000 (2018 - £60,000 - £65,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

Joanne Barber (Staff trustee):

Remuneration: £20,000 - £25,000 (2018 - £20,000 - £25,000)

Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

Victoria Freer (Staff trustee):

Remuneration: £30,000 - £35,000 (2018 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 23.

9 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £288 (2018 - £264).

The cost of this insurance is included in the total insurance cost.

10 Connected charities

The Robert Bakewell Parents and Friends Association raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the academy.

- The aggregate amount of the entity's funds is £2,627
- The total turnover of the entity is £Nil
- The total expenditure of the entity is £971
- Loss for the year is £971

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2018	3,607,764	57,362	30,386	3,695,512
Additions	56,091	28,231	6,761	91,083
Disposals	<u>-</u>	<u>(3,600)</u>	<u>-</u>	<u>(3,600)</u>
At 31 August 2019	<u>3,663,855</u>	<u>81,993</u>	<u>37,147</u>	<u>3,782,995</u>
Depreciation				
At 1 September 2018	264,428	33,040	21,235	318,703
Charge for the year	70,901	17,189	7,503	95,593
Eliminated on disposals	<u>-</u>	<u>(3,600)</u>	<u>-</u>	<u>(3,600)</u>
At 31 August 2019	<u>335,329</u>	<u>46,629</u>	<u>28,738</u>	<u>410,696</u>
Net book value				
At 31 August 2019	<u>3,328,526</u>	<u>35,364</u>	<u>8,409</u>	<u>3,372,299</u>
At 31 August 2018	<u>3,343,336</u>	<u>24,322</u>	<u>9,151</u>	<u>3,376,809</u>

12 Stock

	2019 £	2018 £
Classroom and other materials	<u>3,237</u>	<u>2,507</u>

13 Debtors

	2019 £	2018 £
Trade debtors	-	179
VAT recoverable	15,455	7,727
Prepayments	16,171	14,272
Accrued grant and other income	<u>23,012</u>	<u>19,297</u>
	<u>54,638</u>	<u>41,475</u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	864
Other taxation and social security	18,885	17,458
Other creditors	21,349	20,246
Accruals	7,792	16,985
Deferred income	28,626	29,909
	<u>76,652</u>	<u>85,462</u>

	2019	2018
	£	£
Deferred income		
Deferred income at 1 September 2018	29,909	27,786
Resources deferred in the period	28,626	29,909
Amounts released from previous periods	(29,909)	(27,786)
Deferred income at 31 August 2019	<u>28,626</u>	<u>29,909</u>

The closing balance of deferred income relates to Universal Infant Free School Meals and residential trip income received in advance of 2019/20 academic year.

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	355,202	1,393,597	(1,290,367)	(69,600)	388,832
Pupil Premium	-	119,063	(119,063)	-	-
Other DfE Group grants	-	76,108	(76,108)	-	-
Other government grants	-	31,639	(31,639)	-	-
	<u>355,202</u>	<u>1,620,407</u>	<u>(1,517,177)</u>	<u>(69,600)</u>	<u>388,832</u>
Restricted fixed asset funds					
DfE Group capital grants	26,310	21,482	(26,383)	69,600	91,009
Capital expenditure from GAG	33,631	-	-	-	33,631
Transfer from Local Authority	3,011,429	-	(62,823)	-	2,948,606
Conditional Improvement Fund	305,439	-	(6,385)	-	299,054
	<u>3,376,809</u>	<u>21,482</u>	<u>(95,591)</u>	<u>69,600</u>	<u>3,372,300</u>
Restricted pension funds					
Pension reserve	<u>(385,000)</u>	<u>-</u>	<u>(82,000)</u>	<u>(203,000)</u>	<u>(670,000)</u>
Total restricted funds	3,347,011	1,641,889	(1,694,768)	(203,000)	3,091,132
Unrestricted funds					
Unrestricted general funds	<u>80,568</u>	<u>966</u>	<u>(320)</u>	<u>-</u>	<u>81,214</u>
Total funds	<u><u>3,427,579</u></u>	<u><u>1,642,855</u></u>	<u><u>(1,695,088)</u></u>	<u><u>(203,000)</u></u>	<u><u>3,172,346</u></u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	189,369	1,361,565	(1,188,156)	(7,576)	355,202
Pupil Premium	-	115,235	(115,235)	-	-
Other DfE Group grants	-	69,580	(61,630)	(7,950)	-
Other government grants	-	25,776	(25,776)	-	-
Other income	1,000	600	(1,600)	-	-
	<u>190,369</u>	<u>1,572,756</u>	<u>(1,392,397)</u>	<u>(15,526)</u>	<u>355,202</u>
Restricted fixed asset funds					
DfE Group capital grants	19,850	7,735	(9,225)	7,950	26,310
Capital expenditure from GAG	37,848	-	(11,793)	7,576	33,631
Transfer from Local Authority	3,074,252	-	(62,823)	-	3,011,429
Conditional Improvement Fund	311,825	-	(6,386)	-	305,439
	<u>3,443,775</u>	<u>7,735</u>	<u>(90,227)</u>	<u>15,526</u>	<u>3,376,809</u>
Restricted pension funds					
Pension reserve	(412,000)	-	(65,000)	92,000	(385,000)
Total restricted funds	3,222,144	1,580,491	(1,547,624)	92,000	3,347,011
Unrestricted funds					
Unrestricted general funds	78,920	12,449	(10,801)	-	80,568
Total funds	<u>3,301,064</u>	<u>1,592,940</u>	<u>(1,558,425)</u>	<u>92,000</u>	<u>3,427,579</u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

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

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

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

The other DfE Group restricted funds consists of Universal Infant Free School Meals (UIFSM), rates relief income and PE Sport Grant. All funds have been spent in full within the year.

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

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

Restricted fixed asset funds

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

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

The transfer from Local Authority relates to the value of £2,948,606 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

The Condition Improvement Fund (CIF) relates to funding received in relation to replacement of the roof.

The closing balance relates to the net book value of the assets concerned.

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,372,299	3,372,299
Current assets	81,214	465,484	-	546,698
Current liabilities	-	(76,652)	-	(76,652)
Pension scheme liability	-	(670,000)	-	(670,000)
	81,214	(281,168)	3,372,299	3,172,345
Total net assets	81,214	(281,168)	3,372,299	3,172,345

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

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

17 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	1,116	398
Amounts due between one and five years	2,790	-
	3,906	398
	3,906	398

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2018/19	2017/18
	£	£
Net (expenditure)/income	(52,233)	34,515
Depreciation	95,593	90,227
Capital grants from DfE and other capital income	(21,482)	(7,735)
Defined benefit pension scheme cost less contributions payable	71,000	54,000
Defined benefit pension scheme finance cost	11,000	11,000
(Increase)/decrease in stocks	(730)	467
(Increase)/decrease in debtors	(13,163)	1,082
(Decrease)/increase in creditors	(8,810)	9,860
Net cash provided by Operating Activities	<u>81,175</u>	<u>193,416</u>

19 Cash flows from investing activities

	2018/19	2017/18
	£	£
Purchase of tangible fixed assets	(91,083)	(23,261)
Capital funding received from sponsors and others	<u>21,482</u>	<u>7,735</u>
Net cash used in investing activities	<u>(69,601)</u>	<u>(15,526)</u>

20 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>488,824</u>	<u>477,250</u>
Total cash and cash equivalents	<u>488,824</u>	<u>477,250</u>

21 Members' liability

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £91,561 (2018: £99,976).

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

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Pension and similar obligations (continued)

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £115,000 (2018 - £82,000), of which employer's contributions totalled £93,000 (2018 - £66,000) and employees' contributions totalled £22,000 (2018 - £16,000). The agreed contribution rates for future years are 23.4 - 24.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.30	3.40
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
Inflation assumptions (CPI)	2.30	2.40
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2019	2018
Retiring today		
Males retiring today	21.20	22.10
Females retiring today	23.40	24.30
Retiring in 20 years		
Males retiring in 20 years	22.20	23.80
Females retiring in 20 years	<u>24.70</u>	<u>26.20</u>

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

	2019 £	2018 £
Equities	462,000	405,000
Corporate bonds	247,000	176,000
Property	64,000	59,000
Cash and other liquid assets	<u>24,000</u>	<u>13,000</u>
Total market value of assets	<u>797,000</u>	<u>653,000</u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Pension and similar obligations (continued)

The actual return on scheme assets was £45,000 (2018 - £28,000).

Amounts recognised in the statement of financial activities

	2018/19 £	2017/18 £
Current service cost	(145,000)	(120,000)
Past service cost	(19,000)	-
Interest income	20,000	15,000
Interest cost	<u>(31,000)</u>	<u>(26,000)</u>
Total amount recognized in the SOFA	<u>(175,000)</u>	<u>(131,000)</u>

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

	2018/19 £	2017/18 £
At start of period	1,038,000	978,000
Current service cost	145,000	120,000
Interest cost	31,000	26,000
Employee contributions	22,000	16,000
Actuarial (gain)/loss	228,000	(79,000)
Benefits paid	(16,000)	(23,000)
Past service cost	<u>19,000</u>	<u>-</u>
At 31 August	<u>1,467,000</u>	<u>1,038,000</u>

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

	2018/19 £	2017/18 £
At start of period	653,000	566,000
Interest income	20,000	15,000
Actuarial gain/(loss)	25,000	13,000
Employer contributions	93,000	66,000
Employee contributions	22,000	16,000
Benefits paid	<u>(16,000)</u>	<u>(23,000)</u>
At 31 August	<u>797,000</u>	<u>653,000</u>

Robert Bakewell Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Related party transactions

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

Expenditure Related Party Transaction

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 8.