

Report of the Governors and
Financial Statements for the Year Ended 31 August 2019
for
Holmer Church Of England Academy

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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Reference and Administrative Details
for the Year Ended 31 August 2019

MEMBERS

A Banks
Rev S Lee
Mrs R J Maund
A Wibmer
Cllr P A Andrews

GOVERNORS (TRUSTEES)

Cllr P Andrews	Local Authority
Mrs R Vodden	Foundation
Miss E Stackhouse	Non-teaching staff
A Banks	Parent
Mrs R J Maund	Head Teacher
C Pinches	Parent
A Wibmer	Co-opted
Rev S Lee	Ex Officio
Mr E Williams	Parent
Mr R Oram	Foundation
Mrs Margaret Hampshire	Foundation
Mrs Z Jackson	Teacher

MEMBERS OF FINANCE AND GENERAL PURPOSE COMMITTEE

Cllr P Andrews	Local Authority
Mrs J Maund	Head Teacher
C Pinches	Parent
Miss E Stackhouse	Non-teaching Staff
Mr A Wibmer	Co-opted

SENIOR MANAGEMENT TEAM

Mrs J Maund	Head Teacher
Mrs A Keating	Deputy Head/ Teacher
Miss K Williams	Assistant Head
Mrs Z Jackson	Teacher
Mrs H Shellam	Teacher
Mrs B Deuchar	Teacher

ACCOUNTING OFFICER

Mrs J Maund

COMPANY NAME

Holmer Church of England Academy

REGISTERED OFFICE

Holmer Road
Hereford
HR4 9RX

REGISTERED COMPANY NUMBER

7850551 (England and Wales)

Holmer Church Of England Academy

Reference and Administrative Details
for the Year Ended 31 August 2019

SENIOR STATUTORY AUDITOR

Lisa Weaver FCCA

AUDITORS

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS

Lanyon Bowdler
Broadway House
32 - 35 Broad Street
Hereford
HR4 9AR

BANKERS

Lloyds TSB
6 - 8 High Town
Hereford

Report of the Governors
for the Year Ended 31 August 2019

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2019. The governors have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our aim is to help children realise their full potential by providing:

- The highest quality education within the context of Christian belief
- A happy and attractive environment which enables children to make the most of their opportunities and abilities
- A caring and approachable staff and an ethos of concern for others and responsibility for our own actions
- A broad, balanced, challenging and relevant curriculum which caters for the needs of individual children
- Up-to-date learning materials, technology, teaching and learning experiences

We also aim to help our children develop:

- An understanding of the Christian faith and promote Christian values for all pupils
- Courtesy, good manners and consideration towards others
- Relationships based on mutual respect and self-discipline
- Lively minds, knowledge, understanding and a range of practical and mental skills
- A love of books, pride in the quality of their work
- Appreciation and interest in music, art and drama
- Healthy bodies and physical skills in PE, swimming and games
- Respect for the World in which we live and concern for it and its dwindling resources
- Independence and self-reliance

Objectives, Strategies and Activities

Key priorities for the year are contained in our school Improvement Plan which is available from the school office.

The School Development Plan identifies development under the four Key Judgement Areas of Leadership and Management, Personal Development, Welfare and Behaviour, Quality of Teaching, Learning and Assessment and Outcomes for children and learners. As well as this priorities for development within the Early Years are identified.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Report of the Governors
for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Academy is in its eighth year of performance and has continued to increase in size. Over the last five years the Academy has admitted close to a full complement of 60 pupils, with two of the last three years being over subscribed. The size of the academy has increased with 404 pupils on role in September 2019, nearing the school PAN of 420.

At the end of foundation stage, in 2019 the Academy's attainment resulted in 79% of pupils attaining a good level of development, maintaining above national figures for three consecutive years. The Academy tracked the progress pupils made from their point of entry. Average point score at the end of EYFS was above National as was percentage of children meeting all 17 early learning goals.

Number and % of children achieving or exceeding expected progress

Areas	No	%	Nat
Cohort	53	100.0%	
Communication & Language	43	81.1%	82.4%
Personal Social & Emotional	44	83.0%	85.2%
Physical Development	47	88.7%	87.4%
Literacy	42	79.2%	73.3%
Mathematics	43	81.1%	78.3%
Overall Good Level of Development	42	79.2%	71.5%
Achieving at least expected level across all 17 ELGs	42	79.2%	70.2%
		School	Nat
Average Points over all 17 ELGs		37.3	34.6

The three year performance of the percentage of pupils passing the year 1 national phonics test is consistently above national. In 2019, pupils in Year 1 again attained well above national expectation. Five Year 2 pupils retook the screening test with all passing.

	2017		Year 1 2018		2019	
	School	National	School	National	School	National
All pupils	93	81	93	83	95	82%

In 2019, the New National Curriculum was assessed at the end of Key Stage 1 and 2. Comparisons could be made for year on year results, comparing 2019 to 2018 to 2017.

Report of the Governors
for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

National Curriculum Assessments Key Stage 1 - percentages 2019

% of pupils working at the standard or above- AT+

% of pupils working at greater depth of study (GDS)

Writing KS1	AT+	GDS	Maths KS1	AT+	GDS
2019	76	24	2019	86	31
2018	82	27	2018	88	34
National 2019	69	15	National 2019	79	22

Reading KS1	AT+	GDS
2019	85	31
2018	83	34
National 2019	75	25

Reading, Writing and Maths combined % attaining the standard or better

R W M KS1	AT	GDS
2019	73	15
2018	79	23
National 2019	65	11

EXS = expected standard

HNM = has not met the expected standard

At Key Stage 1 the percentage of pupils working at the standard of above was above national standards in all areas. The percentage of pupils attaining greater depth of study was above national in all areas. The Key Stage 1 results show sustained performance above national comparators.

Key Stage 2 National Curriculum Tests 2019

For each child raw scores were converted into scaled scores in a range 80 -120

Scaled score of 100+ = standard met

Scaled score of 110+ = higher standard met

Writing was teacher assessed with higher standard = greater depth

Average Scaled Score	Reading	Writing	GPAS	Maths
2019	108	/	112	109
2018	107	/	108	110
National 2019	104	/	106	105

Reading	Achieved Standard	Achieved Higher Standard
2019	95	36
2018	86	27
National 2019	73	27

Writing	Achieved Standard	Achieved Higher Standard
2019	98	39
2018	93	34
National 2019	78	20

GPAS	Achieved Standard	Achieved Higher Standard
2019	97	68
2018	96	52
National 2019	78	36

Report of the Governors
for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

Mathematics	Achieved Standard	Achieved Higher Standard
2019	98	44
2018	95	36
National 2019	79	27

Reading, Writing and Mathematics combined

R W M Combined	Achieved Standard	Achieved Higher Standard
2019	93	24
2018	82	13
National 2019	65	11

The performance of Holmer pupils is likely to be significantly above the national figures in all areas.

Key Stage 2 Progress Scores

Interpreting progress scores

Progress scores will be centred around 0, with most schools within the range of -5 to +5.

A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally.

A positive score means pupils in this school on average do better at KS2 as those with similar prior attainment nationally.

A negative score means pupils in this school on average do worse at KS2 as those with similar prior attainment nationally.

Progress Measure	Reading	Writing	GPAS	Maths
2019	+3.43	+4.43	/	+5.36
2018	+1.4	+3.2	/	+3.4
2017	+4.2	+3.7	/	+6.4

These progress scores are likely to place Holmer in at least the top 10% of schools for all areas.

To ensure that achievement continues to remain above national averages in the academy and that all pupils make at least expected progress, with a significant amount of pupils making more than expected progress the Academy will:

- Continue to develop the whole school initiative broadening pupils vocabulary
- Monitor the progress of pupils each term
- Implement intervention and support for pupils who are not making expected progress focusing on identified areas of development within the academy
- Implement intervention and support for pupils who are attaining below age expected outcomes
- Implement intervention and support for pupils who need to be challenged to attain the highest levels
- Monitor the attainment of all pupils
- Monitor the attainment and progress of significant groups of pupils with the academy
- Monitor and support the needs of pupil premium and disadvantaged pupils.

Key financial performance indicators

These are covered throughout the Governors' Report.

STRATEGIC REPORT

Financial review

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Investment and reserves policy and objectives

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £245,073 (2018: £230,115), all of which is free reserves. The level of general restricted reserves is £655,639 (2018: 582,503).

Any excess monies are put on short-term deposits to obtain the best returns possible.

Financial review

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the DfE in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities Statement of Recommended Practice 2015 (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure of £1,335,353 (2018: £1,266,879) was covered by recurrent grant funding from the DfE together with other incoming resources. The total net outgoing resources before transfers and revaluations for the year was £11,040 (2018: incoming £15,824).

At 31 August 2019, the net book value of fixed assets was £2,204,637 (2018: £2,248,951) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

At 31 August 2019, the in-year deficit was £228,040 (2018: surplus £93,824) after actuarial gains/losses on defined benefit schemes.

STRATEGIC REPORT

Financial review

Going concern

After making appropriate enquiries, the Governing Body 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.

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a Risk Management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Fundraising

The academy trust does not use any external fundraising. All fundraising undertaken during the year was monitored by the Trustees.

Future plans

The Academy will continue to maintain and where possible improve the performance of its pupils at all levels and will continue to ensure that pupils have the best start to their education.

Increases in population will be up to the size of 420. This will occur within the next 2 years.

Full details of our plans for the immediate development of the school are in the School Improvement Plan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Company was incorporated on the 17 November 2011 and converted from a Local Authority School to an Academy Trust on the 1st December 2011.

The governors act as the trustees for the charitable activities of Holmer Church of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Holmer Church of England Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 and 2.

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.

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich PLC and provides cover up to £5,000,000 (2018: £5,000,000) on any one claim.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association. The Members may appoint up to 6 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one-third of the total number of Governors.

The LA may appoint the LA Governor.

The Principal shall be treated for all purposes as being an ex officio governor.

Subject to Article 57, the Parent Governors 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 is elected.

The Governors may appoint up to 2 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one-third of the total number of Governors (including the Principal).

Organisational structure

The Academy has a leadership structure which consists of the governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

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

The Senior Management Team is the Headteacher, deputy Headteacher and four teaching staff. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them.

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Arrangements of Setting Pay and Remuneration of Key Management Personnel

The Academy follows the Teachers Performance Related Pay Policy adopted by the Academy in February 2015 which sets out the agreed criteria and parameters for Headteachers pay at the Academy and the Deputy Head and Senior Leaders. The policy follows the agreed policy adopted by Herefordshire Local Authority. All teaching staff are paid within the teacher's pay scales as agreed in the policy. Performance related pay targets are set each year and Teachers Pay progression is determined by the outcome of the Performance Management Meetings.

Related Parties and Other Connected Charities and Organisations

For the period September 2018 to August 2019 three related parties were identified within the Academy. Mr E Williams', parent Governor, connection is that his sibling is a teacher at the Academy. This interest is declared at every Governing Body meeting. Miss Emma Stackhouse, finance administrator is the daughter of the proprietor of Hereford Butchers who were used to supply breakfast early one morning after a Year 2 sleep over. No other supplier could be sorted at this time of day. Pupils paid for the food supplied. There are currently no other related parties or connections with charities and organisations.

Report of the Governors
for the Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

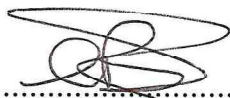
Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system of assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

AUDITORS

The auditors, Thorne Widgey Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Governors report, incorporating a strategic report, was approved by order of the governors, as the company directors, on5/12/19..... and signed on its behalf by:



.....
A Banks - Governor

Governance Statement
for the Year Ended 31 August 2019

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Rev S Lee	Ex Officio	4	4
Cllr P Andrews	Local Authority	4	4
Mrs R Vodden	Foundation	4	4
Miss E Stackhouse	Non-teaching staff	4	4
Mr A Banks	Parent	2	4
Mrs J Maund	Head Teacher	4	4
Mr A Wibmer	Co-opted	2	4
Mr C Pinches	Parent	4	4
Mr E Williams	Co-opted	2	4
Mrs M Hampshire	Foundation	4	4
Mr R Oram	Foundation	3	4
Mrs Z Jackson	Teacher	4	4

The **Finance and General Purposes Committee** is a sub-committee of the main Governing Body. Attendance at meetings in the year was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mr A Wibmer	Co-opted	1	3
Miss E Stackhouse	Non-teaching staff	3	3
Cllr P Andrews	LA Governor	3	3
Mr C Pinches	Parent - Chair	3	3
Mrs J Maund	Head Teacher	3	3

The **Buildings Committee** is a sub-committee of the main Governing Body. Attendance at meetings in the year was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mr A Wibmer	Co-opted	3	3
Mr A Banks	Parent	2	3
Mr C Pinches	Parent	3	3
Mrs R Vodden	Foundation	3	3
Mrs J Maund	Head Teacher	3	3
Mr R Oram	Foundation	3	3
Mr E Williams	Parent	0	3

Governance Statement
for the Year Ended 31 August 2019

Governance Review

The Academy periodically reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

Review of Value for Money

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

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

Improving educational results

We have ensured that resources are directed towards improving educational opportunities for all our children by:

- Providing targeted teaching support in small groups with identified children
- Investing in high quality reading and phonics books
- Funding support for the provision of daily reading
- Providing the best possible teaching and support staff in all areas
- Targeting support to assist the achievement of all individuals and all groups of pupils
- Tracking and reviewing all pupil progress and ensuring that interventions are smart, effective and resulting in progress.
- Pupil premium spending has resulted in Narrowing the Gap and improved outcomes, this is illustrated by the report on our website.
- Collaborating with other schools to acquire bespoke cpd for staff.
- KS1 attainment was significantly above national in all subjects.
- KS1 progress in all subjects was above average and above average for significant groups of pupils.
- KS1 attainment in reading, writing and maths combined was above national average at expected level and greater depth.
- KS2 attainment was above national in all subjects
- KS2 progress in all subjects was above average and above average for significant groups of pupils.
- KS2 attainment in reading, writing and maths combined was above national average at expected level and greater depth.
- The average scaled score for pupils in KS2 in reading, in writing and in mathematics was above other pupils nationally.
- The proportion of Year 1 pupils that met the expected standard in phonics was above the national figure.
- The proportion of children attaining a good level of development at the end of the EYFS was above national figure.

The effectiveness of these strategies was confirmed by our ASP data and internal pupil tracking.

Financial governance and oversight

Our governance and oversight are strong and include regular contact with our accountants shared monthly with Governors where percentage spent in each category is rated along with scrutiny of the financial position at 4 meetings of the Finance Committee per year:

- Regular monitoring of accounts takes place by the finance committee
- Monthly spending against projected cost is shared with all Governors
- Spending proposals are costed and compared to ensure best value and then considered by the finance committee
- The budget position is discussed regularly to ensure decisions are made after considering the short and long term view
- Contracts are renegotiated where possible and collaboration with other schools ensure economies of scale and best value.
- Purchasing decisions are always based on requests for discounts and challenging providers to provide a best price
- Contracts are reviewed and compared with other options before renewal
- School decisions are benchmarked against options available to other schools locally

Governance Statement
for the Year Ended 31 August 2019

Review of Value for Money

- Through prudent and cost effective spending, the school is in a position to make further spending on buildings improvement
- Some income is acquired by various lettings and holiday clubs

New initiatives

- Employed a full-time sports coach to enable after school clubs and sport within the school to improve with a higher profile and opportunities for all children to participate in intra and inter school support and develop staff skills through CPD
- Increase the capacity of on-site after school club
- Leased own minibus to enable the school to reduce the cost of hiring coaches for short distances and enable more children to participate due to the fact that parental transport is not needed
- Renewed photocopying lease with considerable savings

Review of Value for Money

- The school has secured additional funding through CIF bids to carry out safety work to the ceilings within the Victorian parts of the school

Future objectives

- The school is in a position to use its capital to benefit the pupils and needs to ensure spending meets the needs of current pupils, provides financial security for the future and ensure that levels of staffing can be maintained in the long-term
- Develop the outdoor playground provision for the children ensuring opportunities for active play for all ages of children

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of governors 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 governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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 Governing Body;
- 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.

Governance Statement
for the Year Ended 31 August 2019

The Risk and Control Framework

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Chris Pinches, a Governor, to carry out a programme of internal checks. The reviewers role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

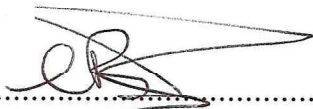
Review of Effectiveness

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

- the work of the reviewer;
- 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 governors on ...5/12/19..... and signed on its behalf by:



.....
A Banks - Governor



.....
Mrs R J Maund - Accounting Officer

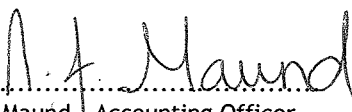
Holmer Church Of England Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2019

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

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

I confirm that 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 governors and ESFA.

.....
Mrs R J Maund Accounting Officer

Date:5/12/19.....

Statement of Governors Responsibilities
for the Year Ended 31 August 2019

The governors (who act as trustees of Holmer Church Of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

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

In so far as the governors are aware:

- there is no relevant audit information of which the academy trust's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust's website.

Governors report, incorporating a strategic report, was approved by order of the governors, as the company directors, on5/12/19..... and signed on its behalf by:



.....
A Banks - Governor

Opinion

We have audited the financial statements of Holmer Church Of England Academy (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

Matters on which we are required to report by exception

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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Responsibilities of governors

As explained more fully in the Statement of Governors Responsibilities, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

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



Lisa Weaver FCCA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:6/12/19.....

Note:

The maintenance and integrity of the Holmer Church Of England Academy website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to
Holmer Church Of England Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holmer Church Of England Academy 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 Holmer Church Of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holmer Church Of England Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Holmer Church Of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Holmer Church Of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Holmer Church Of England Academy's funding agreement with the Secretary of State for Education 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 period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 22 in the attached accounts.

Independent Reporting Accountant's Assurance Report on Regularity to
Holmer Church Of England Academy and the Education and Skills Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Thorne Widgery Accountancy Ltd

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: *6/12/19*.....

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

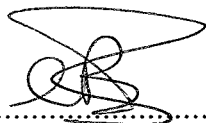
	Notes	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	31.8.19 Total funds £	31.8.18 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	774	80,477	62,443	143,694	109,546
Charitable activities						
Funding for the academy's educational operations	3	-	-	1,610,440	1,610,440	1,558,243
Other trading activities	4	29,716	-	5,882	35,598	29,656
Investment income	5	446	-	-	446	403
Total		30,936	80,477	1,678,765	1,790,178	1,697,848
EXPENDITURE ON Charitable activities						
Academy's educational operations		15,978	126,929	1,658,311	1,801,218	1,682,024
NET INCOME/(EXPENDITURE)		14,958	(46,452)	20,454	(11,040)	15,824
Transfers between funds	18	-	8,318	(8,318)	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	(217,000)	(217,000)	78,000
Net movement in funds		14,958	(38,134)	(204,864)	(228,040)	93,824
RECONCILIATION OF FUNDS						
Total funds brought forward		230,115	2,248,952	283,503	2,762,570	2,668,746
TOTAL FUNDS CARRIED FORWARD		245,073	2,210,818	78,639	2,534,530	2,762,570

Balance Sheet
At 31 August 2019

	Notes	31.8.19 £	31.8.18 £
FIXED ASSETS			
Tangible assets	12	2,204,637	2,248,951
CURRENT ASSETS			
Debtors	13	162,759	105,011
Cash at bank and in hand		860,620	813,356
		<u>1,023,379</u>	<u>918,367</u>
CREDITORS			
Amounts falling due within one year	14	(116,486)	(105,748)
NET CURRENT ASSETS		<u>906,893</u>	<u>812,619</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,111,530	3,061,570
PENSION LIABILITY	19	(577,000)	(299,000)
NET ASSETS		<u>2,534,530</u>	<u>2,762,570</u>
FUNDS	18		
Unrestricted funds:			
Unrestricted General fund		245,073	230,115
Restricted funds:			
General Annual Grant		655,639	582,503
Restricted Pension Fund		(577,000)	(299,000)
DfE/YPLA Capital Grants		558,195	619,203
Conversion and Depreciation		1,381,867	1,397,071
Fixed assets funded by GAG		270,756	232,678
		<u>2,289,457</u>	<u>2,532,455</u>
TOTAL FUNDS		<u>2,534,530</u>	<u>2,762,570</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Governors on 31/12/19 and were signed on its behalf by:



A Banks -Governor

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 August 2019

	Notes	31.8.19 £	31.8.18 £
Cash flows from operating activities:			
Cash generated from operations	1	(25,342)	121,998
Net cash provided by (used in) operating activities		<u>(25,342)</u>	<u>121,998</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(8,318)	(47,935)
Capital grants from DfE/ESFA		80,478	33,500
Interest received		446	403
Net cash provided by (used in) investing activities		<u>72,606</u>	<u>(14,032)</u>
Change in cash and cash equivalents in the reporting period		<u>47,264</u>	<u>107,966</u>
Cash and cash equivalents at the beginning of the reporting period		<u>813,356</u>	<u>705,390</u>
Cash and cash equivalents at the end of the reporting period		<u><u>860,620</u></u>	<u><u>813,356</u></u>

Notes to the Cash Flow Statement
for the Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.19	31.8.18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(11,040)	15,824
Adjustments for:		
Depreciation	52,509	56,386
Capital grants from DfE/ESFA	(80,478)	(33,500)
Loss on disposal of fixed assets	122	-
Interest received	(446)	(403)
(Increase)/decrease in debtors	(57,748)	20,490
Increase in creditors	10,739	9,201
Difference between pension charge and cash contributions	61,000	54,000
Net cash provided by (used in) operating activities	(25,342)	121,998

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Holmer Church Of England Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The governors 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 governors 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 income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

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.

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

1. ACCOUNTING POLICIES - continued

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.

Critical accounting estimates and areas of judgement

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

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

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes to the accounts. 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.

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Grants	-	80,478	80,478	33,500
School trips etc	-	36,780	36,780	37,243
Other grants and payments	774	25,662	26,436	38,803
	<u>774</u>	<u>142,920</u>	<u>143,694</u>	<u>109,546</u>

Grants received, included in the above, are as follows:

	31.8.19 £	31.8.18 £
Devolved Formula Capital	8,523	8,478
Condition Improvement Funding	56,228	25,022
	<u>64,751</u>	<u>33,500</u>

All of the figures included in the comparatives related to restricted funds.

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	1,416,805	1,416,805	1,379,524
Other DfE/ESFA Grants	-	164,760	164,760	152,058
	<u>-</u>	<u>1,581,565</u>	<u>1,581,565</u>	<u>1,531,582</u>
Other government grant				
Local Authority Grants	-	28,875	28,875	26,661
	<u>-</u>	<u>1,610,440</u>	<u>1,610,440</u>	<u>1,558,243</u>

All of the figures included in the comparatives related to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Room and building hire	7,234	-	7,234	7,718
Catering income	22,462	-	22,462	18,936
Sundry Income	20	5,882	5,902	3,002
	<u>29,716</u>	<u>5,882</u>	<u>35,598</u>	<u>29,656</u>

The comparatives include unrestricted funds of £26,654 and restricted funds of £3,002 giving a total of £29,656.

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

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Deposit account interest	446	-	446	403

All of the figures included in the comparatives related to restricted funds.

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.19 Total £	31.8.18 Total £
Charitable activities					
Academies educational operations					
Direct costs	1,094,198	15,202	254,749	1,364,149	1,292,163
Allocated support costs	145,805	104,115	187,149	437,069	389,861
	<u>1,240,003</u>	<u>119,317</u>	<u>441,898</u>	<u>1,801,218</u>	<u>1,682,024</u>

Net income/ (expenditure) is stated after charging/ (crediting):

	31.8.19 £	31.8.18 £
Auditors' remuneration	8,772	7,090
Depreciation - owned assets	52,510	56,387
Deficit on disposal of fixed asset	122	-
Operating leases	<u>4,545</u>	<u>-</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Direct costs	371	1,363,778	1,364,149	1,292,163
Support costs	15,607	421,462	437,069	389,861
	<u>15,978</u>	<u>1,785,240</u>	<u>1,801,218</u>	<u>1,682,024</u>

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

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	31.8.19 Total £	31.8.18 Total £
Analysis of support costs		
Support staff costs	145,805	132,866
Depreciation	37,429	41,184
Premises costs	104,115	78,392
Other support costs	140,948	127,553
Governance costs	8,772	9,866
Total support costs	437,069	389,861

The comparatives include unrestricted funds of £13,492 and restricted funds of £1,668,532, making up the balance of £1,682,024.

8. GOVERNORS' REMUNERATION AND BENEFITS

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust.

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration was as follows:

R J Maund (Head Teacher)		
Remuneration	£65,000 - £70,000	(2018: £65,000 - £70,000)
Employers Pension Contribution	£10,000 - £15,000	(2018: £10,000 - £15,000)
E Stackhouse (Staff Governor)		
Remuneration	£10,000 - £15,000	(2018: £10,000 - £15,000)
Employers Pension Contribution	£0 - £5,000	(2018: £0 - £5,000)
A Keating (Staff Governor)		
Remuneration	£50,000 - £55,000	(2018: £50,000 - £55,000)
Employers Pension Contribution	£5,000 - £10,000	(2018: £5,000 - £10,000)
Z Jackson (Staff Governor)		
Remuneration	£30,000 - £35,000	(2018: £30,000 - £35,000)
Employers Pension Contribution	£5,000 - £10,000	(2018: £5,000 - £10,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £98 (2018: £102) were reimbursed to the governors.

Other related party transactions involving the trustees are set out in the notes to the accounts.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

During the year ended 31 August 2019, travel and subsistence expenses totalling £98 (2018: £102) were reimbursed to the governors.

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

9. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	967,656	925,889
Social security costs	76,393	68,917
Operating costs of defined benefit pension schemes	154,010	143,062
	1,198,059	1,137,868
Supply teacher costs	41,944	24,379
	1,240,003	1,162,247

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.19	31.8.18
Teachers	18	20
Administration and support	29	34
Management	2	1
	49	55

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

	31.8.19	31.8.18
£60,001 - £70,000	1	1

Key management personnel

The key management personnel of the academy trust comprise 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 £280,000 (2018: £264,000).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 (2018: £5,000,000) on any one claim.

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	33,499	76,047	109,546
Charitable activities				
Funding for the academy's educational operations	-	-	1,558,243	1,558,243
Other trading activities	26,654	-	3,002	29,656
Investment income	403	-	-	403
Total	27,057	33,499	1,637,292	1,697,848

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	Total funds £
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	13,492	89,886	1,578,646	1,682,024
NET INCOME/(EXPENDITURE)	13,565	(56,387)	58,646	15,824
Transfers between funds	-	47,936	(47,936)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	78,000	78,000
Net movement in funds	13,565	(8,451)	88,710	93,824
RECONCILIATION OF FUNDS				
Total funds brought forward	216,550	2,257,403	194,793	2,668,746
TOTAL FUNDS CARRIED FORWARD	230,115	2,248,952	283,503	2,762,570

12. TANGIBLE FIXED ASSETS

	Land & Buildings £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2018	1,499,684	890,308	56,621	137,003	2,583,616
Additions	-	-	-	8,318	8,318
Disposals	-	-	-	(475)	(475)
At 31 August 2019	1,499,684	890,308	56,621	144,846	2,591,459
DEPRECIATION					
At 1 September 2018	102,615	75,791	48,560	107,699	334,665
Charge for year	15,202	17,807	3,750	15,751	52,510
Eliminated on disposal	-	-	-	(353)	(353)
At 31 August 2019	117,817	93,598	52,310	123,097	386,822
NET BOOK VALUE					
At 31 August 2019	1,381,867	796,710	4,311	21,749	2,204,637
At 31 August 2018	1,397,069	814,517	8,061	29,304	2,248,951

Included in cost or valuation of land and buildings is freehold land of £739,576 (2018 - £739,576) which is not depreciated.

Included within long leasehold is land and buildings that the academy occupies under a Church Supplement Agreement with the Hereford Diocese Board of Education which gives the academy permission to occupy the site only. The Diocese Board of Education can give the academy a two year notice period to terminate the agreement and to be vacated from the site.

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

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade debtors	91	1,441
Other debtors	36,501	33,875
VAT	26,516	10,229
Prepayments and accrued income	99,651	59,466
	<u>162,759</u>	<u>105,011</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade creditors	42,661	8,576
Social security and other taxes	36,501	34,305
Other creditors	-	259
Accruals and deferred income	37,324	62,608
	<u>116,486</u>	<u>105,748</u>

DEFERRED INCOME

	2019	2018
	£	£
Resources deferred in the year	<u>37,324</u>	<u>37,601</u>

Income has been deferred based on the period to which it relates

£37,324	(2018:	£37,601)	has been deferred in relation to Universal Infant Free School Meals Revenue Income
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15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.19	31.8.18
	£	£
Within one year	8,047	-
Between one and five years	18,049	-
	<u>26,096</u>	<u>-</u>

16. MEMBERS' LIABILITY

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

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	31.8.19 Total funds £
Fixed assets	-	2,204,637	-	2,204,637
Current assets	245,073	36,181	742,125	1,023,379
Current liabilities	-	(30,000)	(86,486)	(116,486)
Pension liability	-	-	(577,000)	(577,000)
	<u>245,073</u>	<u>2,210,818</u>	<u>78,639</u>	<u>2,534,530</u>

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

	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	31.8.18 Total funds £
Fixed assets	-	2,248,951	-	2,248,951
Current assets	230,115	24,708	663,544	918,367
Current liabilities	-	(24,707)	(81,041)	(105,748)
Pension liability	-	-	(299,000)	(299,000)
	<u>230,115</u>	<u>2,248,952</u>	<u>283,503</u>	<u>2,762,570</u>

18. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
Unrestricted General fund	230,115	14,958	-	245,073
Restricted funds				
General Annual Grant	582,503	81,454	(8,318)	655,639
Restricted Pension Fund	(299,000)	(278,000)	-	(577,000)
DfE/YPLA Capital Grants	619,203	(11,682)	(49,326)	558,195
Conversion and Depreciation	1,397,071	(15,202)	(2)	1,381,867
Fixed assets funded by GAG	232,678	(19,568)	57,646	270,756
	<u>2,532,455</u>	<u>(242,998)</u>	<u>-</u>	<u>2,289,457</u>
TOTAL FUNDS	<u>2,762,570</u>	<u>(228,040)</u>	<u>-</u>	<u>2,534,530</u>

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

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted General fund	30,936	(15,978)	-	14,958
Restricted funds				
General Annual Grant	1,416,807	(1,335,353)	-	81,454
Other Restricted	97,199	(97,199)	-	-
Other DfE/EFA grants	164,759	(164,759)	-	-
DfE/YPLA Capital Grants	80,477	(92,159)	-	(11,682)
Restricted Pension Fund	-	(61,000)	(217,000)	(278,000)
Conversion and Depreciation	-	(15,202)	-	(15,202)
Fixed assets funded by GAG	-	(19,568)	-	(19,568)
	<u>1,759,242</u>	<u>(1,785,240)</u>	<u>(217,000)</u>	<u>(242,998)</u>
TOTAL FUNDS	<u>1,790,178</u>	<u>(1,801,218)</u>	<u>(217,000)</u>	<u>(228,040)</u>

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted Funds				
Unrestricted General fund	216,550	13,565	-	230,115
Restricted Funds				
General Annual Grant	517,793	112,646	(47,936)	582,503
Restricted Pension Fund	(323,000)	24,000	-	(299,000)
DfE/YPLA Capital Grants	647,118	(27,748)	(167)	619,203
Conversion and Depreciation	1,412,269	(15,202)	4	1,397,071
Fixed assets funded by GAG	198,016	(13,437)	48,099	232,678
	<u>2,452,196</u>	<u>80,259</u>	<u>-</u>	<u>2,532,455</u>
TOTAL FUNDS	<u>2,668,746</u>	<u>93,824</u>	<u>-</u>	<u>2,762,570</u>

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

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted General fund	27,057	(13,492)	-	13,565
Restricted funds				
General Annual Grant	1,379,525	(1,266,879)	-	112,646
Other Restricted	105,709	(105,709)	-	-
Other DfE/EFA grants	152,058	(152,058)	-	-
DfE/YPLA Capital Grants	33,499	(61,247)	-	(27,748)
Restricted Pension Fund	-	(54,000)	78,000	24,000
Conversion and Depreciation	-	(15,202)	-	(15,202)
Fixed assets funded by GAG	-	(13,437)	-	(13,437)
	<u>1,670,791</u>	<u>(1,668,532)</u>	<u>78,000</u>	<u>80,259</u>
TOTAL FUNDS	<u>1,697,848</u>	<u>(1,682,024)</u>	<u>78,000</u>	<u>93,824</u>

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

- General Annual Grant (GAG): 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
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds relate to re-allocation of the cash spent on fixed assets during the year ended 31 August 2019.

19. 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 Worcestershire 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.

Contributions amounting to £18,338 were payable to the schemes at 31 August 2019 (2018: £13,258) and are included within creditors.

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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 as 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 employers pension costs paid to TPS in the period amounted to £110,806 (2018: £103,000).

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

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

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £58,000 (2018: £55,000), of which employer's contributions totalled £43,000 (2018: £41,000) and employees' contributions totalled £15,000 (2018: £14,000). The agreed contribution rates for future years are 10.8 % for employers and between 5.5% and 12.5% for employees.

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

The annual valuation at 31 August 2019 has taken into account the effects of the McCloud judgement.

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a three year period will be the Future Service Rate of 13.5% of payroll plus phased lump sum deficit contributions starting at £6,800 for the year to 31 March 2018, increasing by approximately 4% per annum. The rate payable from 1 April 2020 will be further revised following the next valuation of the Pension Fund on 31 March 2019.

The current estimated recovery period is 17 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Present value of funded obligations	(1,023,000)	(671,000)
Fair value of plan assets	446,000	372,000
	<u>(577,000)</u>	<u>(299,000)</u>
Deficit	<u>(577,000)</u>	<u>(299,000)</u>
Liability	<u><u>(577,000)</u></u>	<u><u>(299,000)</u></u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Current service cost	81,000	87,000
Net interest from net defined benefit asset/liability	3,000	7,000
Past service cost	15,000	-
Administrative expenses	1,000	1,000
	<u>100,000</u>	<u>95,000</u>
Actual return on plan assets	<u><u>18,000</u></u>	<u><u>21,000</u></u>

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Defined benefit obligation	671,000	616,000
Current service cost	81,000	87,000
Past service cost	15,000	-
Contributions by scheme participants	19,000	14,000
Interest cost	15,000	15,000
Actuarial losses/(gains)	223,000	(65,000)
Benefits paid	(1,000)	4,000
	<u>1,023,000</u>	<u>671,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Fair value of scheme assets	372,000	293,000
Contributions by employer	43,000	41,000
Contributions by scheme participants	15,000	14,000
Expected return	12,000	8,000
Actuarial gains/(losses)	6,000	13,000
Benefits paid	(1,000)	4,000
Administrative expenses	(1,000)	(1,000)
	<u>446,000</u>	<u>372,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£	£
Actuarial gains/(losses)	(217,000)	78,000
	<u>(217,000)</u>	<u>78,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
Equities	70.9%	77%
Bonds - Other	5%	4.6%
Cash/liquidity	2.9%	2.1%
Bonds - Government	7.5%	8%
Property	6%	4.7%
Other	7.7%	3.6%

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

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.19	31.8.18
Rate of increase in salaries	3.5%	3.7%
Inflation assumption (CPI)	2%	2.2%
Rate of increase for pensions inpayment/inflation	2.1%	2.3%
Discount rate	1.8%	2.9%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	22.8	22.7
Females	25.8	25.7
Retiring in 20 years		
Males	25.1	24.9
Females	28.2	28.0

	At 31 August 2019 £'000	At 31 August 2018 £'000
Sensitivity analysis		
Central	577	299
Sensitivity 1 (discount rate +0.1%)	549	281
Sensitivity 2 (inflation +0.1%)	606	318
Sensitivity 3 (pay growth +0.1%)	580	302
Sensitivity 4 (1 year increase in life expectancy)	595	311

20. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

21. CAPITAL COMMITMENTS

	31.8.19 £	31.8.18 £
Contracted but not provided for in the financial statements	-	-

22. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the 12 month period to 31 August 2019 payments totalling £Nil (2018: £5,880) to Marches IT Services Ltd, a company in which A Wibmer is a director and shareholder, for the provision of IT Services. At the year end a balance of £nil (2018: £nil) was due to / from Marches IT Services Ltd.

During the 12 month period to 31 August 2019, the academy trust purchased hot meals from Hereford Butchers to a value of £145 (2014: £268). Staff governor, Emma Stackhouse, is the daughter of the proprietor of Hereford Butchers. In entering into the above transaction the academy complied with the requirements of the Academies Financial Handbook 2018. ESFA confirmation of submission received, reference no RP1000256.