

Registration number: 08385139

# Asfordby Hill Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

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

# Asfordby Hill Primary School

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# Asfordby Hill Primary School

## Reference and Administrative Details

<b>Members</b>	Nick Ashton (Chair) Diane Gilbert Steven Sherriff
<b>Governors and Trustees (Directors)</b>	Nick Ashton (Chair) Diane Gilbert Sam Turner (deceased 25 September 2018) Jenifer Smith Louise Parrott (resigned 21 October 2018) Paul Hughes Steven Sherriff Natalie Hurst Sue Smith (resigned 28 October 2018) Maria Bradley Phil Millward Lucy Mitcham Lex Forrester Amanda Cobley (appointed 1 December 2017)
<b>Company Secretary</b>	Hazel Charlton
<b>Senior Management Team</b>	Phil Millward, Head teacher Nicola Bailey, Assistant head teacher Louise Parrott, KS2 lead
<b>Principal and Registered Office</b>	Asfordby Hill Primary School Melton Road Melton Mowbray Leicestershire LE14 3QX
<b>Company Registration Number</b>	08385139
<b>Auditors</b>	Haines Watts Leicester LLP Chartered Accountants and Registered Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ

## **Asfordby Hill Primary School**

### **Reference and Administrative Details (continued)**

**Bankers**

NatWest Bank plc  
11 Western Boulevard  
Bede Island Business Park  
Leicester  
LE2 7EJ

**Solicitors**

Howes Percival  
No. 1 Bede Island Road  
Bede Island Business Park  
Leicester  
LE2 7EA

## **Asfordby Hill Primary School**

### **Trustees' Report for the Year Ended 31 August 2018**

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

#### **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 08385139.

The governors act as the trustees for the charitable activities of Asfordby Hill 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 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.

##### ***Trustees' indemnities***

A Governor may benefit from any 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

##### ***Method of recruitment and appointment or election of Trustees***

Potential new trustees are identified by the governors, ensuring that the skills and experience of new trustees are complementary to those of existing board members. The Asfordby Hill Academy Trust has the power to appoint a majority of trustees.

##### ***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 the induction process will provide training on charity, educational, legal and financial matters. All new trustees are welcome to visit the Academy and 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 no more than one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

## **Asfordby Hill Primary School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### ***Organisational structure***

There is a clear management structure to control the way in which the trust is run. The structure consists of two levels: the trustees and the executive team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the trust by the use of budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The executive team control the trust at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the executive team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointments to the executive team always involve a representative of the trustees.

#### ***Arrangements for setting pay and remuneration of key management personnel***

Trustees, other than staff trustees, do not receive remuneration from the Trust. The pay and remuneration for teaching staff who are Key Management Personnel is determined in accordance with the Trust's Teacher's Pay Policy, which is reviewed annually to take into account national guidance contained within the School Teacher's Pay and Conditions document.

#### ***Risk management***

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academy face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying 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 (see below) in order to minimise risk. Where significant financial risk still remains they have adequate insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the statement below.

#### **Objectives and activities**

##### ***Objects and aims***

Asfordby Hill Academy Trust implements the vision of the Asfordby Hill governing body to improve the life chances of every learner within its Academy.

The mission of Asfordby Hill Academy Trust is to offer everyone opportunities to develop as high achieving, confident, healthy, caring and fulfilled members of society. This includes the trust's extended schools services and the opening of its facilities to the wider community.

##### ***Objectives, strategies and activities***

Asfordby Hill Academy Trust manages the school. The trust seeks to transform learning, foster academic excellence and support the regeneration of the communities that the Academy serve. The trust also empowers its students and stakeholders through active participation in the leadership of education initiatives at every level supported by products and programmes that enable the academy communities to realise their full potential. Through this positive impact, the Asfordby Hill Academy Trust is seeking to support the national school improvement agenda by developing and sharing best practice.

## **Asfordby Hill Primary School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### ***Public benefit***

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

## Asfordby Hill Primary School

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

##### Achievements and performance

The school continues to perform above National and Local expectations. Progress from KS1 starting points is also very good and again above national and local expectations:

75% of our children met the expected standard or achieved higher in reading, writing and maths. National % was 65%.

87% of our children met the expected standard or achieved higher in reading alone. National % was 64% (45% exceeded the standard–national was 24.6%).

95% of our children met the expected standard or achieved higher in writing alone. National % were 78% (29% exceeded the standard–national was 19%).

83% of our children met the expected standard or achieved higher in maths alone. National % were 75% (16% exceeded the standard–national was 23%).

87% of our children met the expected standard or achieved higher in Grammar, punctuation and spelling. National % were 77% (37% exceeded the standard–national was 34%).

The school continues to be above floor standards.

##### Key Stage 1 results 2018

Reading 88% met expected standard and 45% exceeded

Writing 77% met expected standard and 69% exceeded Maths

92% met expected standard 37% exceeded

55.2% pass rate in Year 1 Phonics

86% of EYFS achieved a 'Good level of development'.

Over the year the school enhanced the curriculum with trips and in-school activities. In September 2017 the biennial residential trip took place with the older children staying at PGL adventure camp in Caythorpe. The younger children in the school visited Leicester University to make a cake with ingredients that originated from all over the world. Other visits included The Warning Zone, Go Ape and the Christmas trip to the theatre. We also invited in film making specialists and ran workshops on Miss Nightingale and The Stone Age. Finally we were very proud of our theatrical productions of 'A Midsummer Night's Dream', 'Jack and the Beanstalk' and 'The Christmas Gift'.

##### *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.



## Asfordby Hill Primary School

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

##### Financial review

Most of the Trust's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the Department for Education. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (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 expected useful life of the assets concerned.

During the year ended 31 August 2018 total expenditure of £719,652 (2017: £703,180) was covered by the General Annual Grant, other DfE grants, other government grants as well as other income. The excess of income over expenditure (2017: expenditure over income) for the period, excluding the Fixed Asset fund was £9,765 (2017: £17,387).

##### *Financial and risk management objectives and policies*

The Academy manages its risks appropriately. The Academy's Financial Risk Register identifies key risks, such as the uncertainty over the LGPS deficit and increases in future employer's contribution rates, as main areas of concern. The Academy has a Financial Procedures Policy and Scheme of Financial Delegation, to govern the financial activities and decisions of the Academy both of which have been adopted by the governors. Resources are used to maintain efficient staffing levels, ensure the continuing effectiveness of the organisation and good state of repair of the site and buildings.

##### *Reserves policy*

The trustees have reviewed the reserves of the academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the trustees.

The amount held in the Unrestricted General Fund as at 31 August 2018 was £50,074 (2017: £58,245), the Restricted General Fund £203,022 (2017: £158,257) and the Restricted Fixed Asset Fund was £535,535 (2017: £550,127).

##### *Investment policy*

The trust does not hold any long term investments. Any cash surpluses are placed upon over-night or fixed term deposit with the trust's banker.

##### **Auditor**

In so far 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.

**Asfordby Hill Primary School**

**Trustees' Report for the Year Ended 31 August 2018 (continued)**

**Strategic Report**

***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Haines Watts Leicester LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:

.....  
Nick Ashton (Chair)  
Governor and trustee

# Asfordby Hill Primary School

## Governance Statement

### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Asfordby Hill 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 Phil Millward, 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 Asfordby Hill 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 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Nick Ashton (Chair)	4	4
Phil Millward	4	4
Diane Gilbert	3	4
Louise Parrott	4	4
Jenifer Smith	4	4
Steven Sherriff	4	4
Paul Hughes	2	4
Natalie Hurst	2	4
Sue Smith	1	4
Maria Bradley	2	4
Lucy Mitcham	2	4
Lex Forrester	0	4
Sam Turner	3	4
Amanda Cobley	3	3

## Asfordby Hill Primary School

### Governance Statement (continued)

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Nick Ashton (Chair)	6	6
Phil Millward	6	6
Sam Turner	5	6
Steven Sherriff	6	6
Maria Bradley	6	6
Louise Parrott	5	6
Paul Hughes	1	6

#### 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Staff and governors are ambitious for the pupils to ensure they gain the best start to their education. Attainment and progress for all pupils, including vulnerable groups, make exceptional progress compared to those in other schools.
- A high proportion of the school's financial resources are spent on staffing. The school has high quality teaching and non-teaching staff and this is reflected in the outcomes for children. Class sizes are continuing to grow with the school NOR increasing.
- There are efficient and effective partnerships between teaching and non-teaching colleagues which benefits children of all abilities, especially pupil premium and pupils with special needs to establish positive health and mental wellbeing.
- In order to achieve progress and improve on it, school funds, and in particular the pupil premium funding and PE premium, is targeted for improvement in the form of small group tuition and activities for those pupils who have been targeted as underachieving or needing extra support. Performance of disadvantaged children is tracked termly.
- Staff professional development is closely linked to the school improvement plan. All professional development is cascaded to colleagues across the school in after school INSET meetings.
- There is a robust performance management system in place.
- Governors ensure that the school finance policy is adhered to. Procedures are in place to ensure that resources purchased are appropriate and are ordered in accordance with the correct procedures. Large items of expenditure are reviewed and authorised by the governing body prior to purchase. A minimum of three quotes are obtained for items of a value of more than £5,000. Governors decide on which quote is appropriate based on best value for money for the school.
- The SMT and governors receive regular budget reports, future year forecasts, reviews of income and expenditure (including variations) from the school bursar.
- We explore efficiencies of scale where possible (including staff training through a local teaching school alliance and sharing of costs of resources), thereby reducing administration and the cost of procurement.

## **Asfordby Hill Primary School**

### **Governance Statement (continued)**

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Asfordby Hill Primary School for the year ended 31 August 2018 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 ending 31 August 2018 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;
- 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 Internal Audit Service 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.

## Asfordby Hill Primary School

### Governance Statement (continued)

#### Review of effectiveness

As Accounting Officer, Phil Millward 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 11 December 2018 and signed on its behalf by:

.....  
Nick Ashton (Chair)  
Governor and trustee

.....  
Phil Millward  
Accounting officer  
Governor and trustee

## **Asfordby Hill Primary School**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Asfordby Hill 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 2017.

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 2017.

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

.....  
Phil Millward  
Accounting officer

11 December 2018

## Asfordby Hill 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 Annual 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 2017 to 2018;
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 11 December 2018 and signed on its behalf by:

.....  
Nick Ashton (Chair)  
Governor and trustee



## Asfordby Hill Primary School

### Independent Auditor's Report on the Financial Statements to the Members of Asfordby Hill Primary School

#### Opinion

We have audited the financial statements of Asfordby Hill Primary School (the 'Academy') for the year ended 31 August 2018, 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's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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

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.

## Asfordby Hill Primary School

### Independent Auditor's Report on the Financial Statements to the Members of Asfordby Hill 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 14], 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.

## Asfordby Hill Primary School

### Independent Auditor's Report on the Financial Statements to the Members of Asfordby Hill 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

17 December 2018

## **Asfordby Hill Primary School**

### **Independent Reporting Accountant's Report on Regularity to Asfordby Hill Primary School and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 12 May 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Asfordby Hill Primary School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Asfordby Hill 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 Asfordby Hill 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 Asfordby Hill Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Asfordby Hill Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Asfordby Hill Primary School's funding agreement with the Secretary of State for Education dated 22 February 2013 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.

We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.

We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.

## Asfordby Hill Primary School

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

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.

Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

#### 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

17 December 2018

## Asfordby Hill 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 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	3,214	-	4,353	7,567
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	729,417	5,834	735,251
Other trading activities	4	23,296	-	-	23,296
Investments	5	137	-	-	137
Total		26,647	729,417	10,187	766,251
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	34,818	719,652	24,779	779,249
Net (expenditure)/income		(8,171)	9,765	(14,592)	(12,998)
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	21	-	66,000	-	66,000
Net movement in (deficit)/funds		(8,171)	75,765	(14,592)	53,002
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		58,245	(165,743)	550,127	442,629
Total funds/(deficit) carried forward at 31 August 2018		50,074	(89,978)	535,535	495,631

## Asfordby Hill Primary School

### Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	3,507	-	2,000	5,507
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	685,793	5,733	691,526
Other trading activities	4	11,675	-	-	11,675
Investments	5	98	-	-	98
Total		15,280	685,793	7,733	708,806
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	30,540	703,180	44,063	777,783
Net expenditure		(15,260)	(17,387)	(36,330)	(68,977)
Transfers between funds		-	(5,494)	5,494	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	21	-	33,000	-	33,000
Net movement in (deficit)/funds		(15,260)	10,119	(30,836)	(35,977)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		73,505	(175,862)	580,963	478,606
Total funds/(deficit) carried forward at 31 August 2017		58,245	(165,743)	550,127	442,629

**Asfordby Hill Primary School**  
**(Registration number: 08385139)**  
**Balance Sheet as at 31 August 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	531,414	550,127
<b>Current assets</b>			
Debtors	12	26,266	22,839
Cash at bank and in hand		<u>281,994</u>	<u>261,582</u>
		308,260	284,421
Creditors: Amounts falling due within one year	13	<u>(51,043)</u>	<u>(67,919)</u>
Net current assets		<u>257,217</u>	<u>216,502</u>
Total assets less current liabilities		<u>788,631</u>	<u>766,629</u>
Net assets excluding pension liability		788,631	766,629
Pension scheme liability	21	<u>(293,000)</u>	<u>(324,000)</u>
Net assets including pension liability		<u><u>495,631</u></u>	<u><u>442,629</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		203,022	158,257
Restricted fixed asset fund		535,535	550,127
Restricted pension fund		<u>(293,000)</u>	<u>(324,000)</u>
		445,557	384,384
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>50,074</u>	<u>58,245</u>
Total funds		<u><u>495,631</u></u>	<u><u>442,629</u></u>

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue on 11 December 2018 and signed on their behalf by:

.....  
 Nick Ashton (Chair)  
 Governor and trustee



## Asfordby Hill Primary School

### Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	26,341	17,628
Cash flows from investing activities	18	<u>(5,929)</u>	<u>(13,129)</u>
Change in cash and cash equivalents in the year		20,412	4,499
Cash and cash equivalents at 1 September		<u>261,582</u>	<u>257,083</u>
Cash and cash equivalents at 31 August	19	<u><u>281,994</u></u>	<u><u>261,582</u></u>

## Asfordby Hill Primary School

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

#### 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 2017 to 2018 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 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 the receipt is probable and it can be measured reliably.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### *Donations*

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

##### *Other income*

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

##### *Donated goods, facilities and services*

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

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.

##### *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.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold building	over 50 years
Mobile cabin	over 20 years
Furniture and equipment	3 - 10 years
Computer equipment	over 3 years

##### 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.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### **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.

##### **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.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 31/08/2018. 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.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Other donations	<u>3,214</u>	<u>4,353</u>	<u>7,567</u>	<u>5,507</u>

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 3 Funding for the Academy Trust's educational operations

	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>2017/18 Total £</b>	<b>2016/17 Total £</b>
<b>DfE/ESFA capital grants</b>				
Devolved Capital Grant	-	5,834	5,834	5,733
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	644,588	-	644,588	608,578
UIFSM	33,431	-	33,431	27,130
Other grants	17,390	-	17,390	10,667
Pupil premium	34,008	-	34,008	34,210
	729,417	-	729,417	680,585
<b>Non-government grants and other income</b>				
Other income from the academy trust's educational operations	-	-	-	5,208
Total grants	729,417	5,834	735,251	691,526

#### 4 Other trading activities

	<b>Unrestricted funds £</b>	<b>2017/18 Total £</b>	<b>2016/17 Total £</b>
Recharges and reimbursements	22,860	22,860	11,288
Other income	436	436	387
	23,296	23,296	11,675

#### 5 Investment income

	<b>Unrestricted funds £</b>	<b>2017/18 Total £</b>	<b>2016/17 Total £</b>
Short term deposits	137	137	98
	137	137	98

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 6 Resources expended

	Non Pay Expenditure			2017/18	2016/17
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Academy's educational operations</b>					
Direct costs	481,793	24,779	58,511	565,083	597,865
Allocated support costs	92,304	42,699	79,163	214,166	179,918
	<u>574,097</u>	<u>67,478</u>	<u>137,674</u>	<u>779,249</u>	<u>777,783</u>

#### Net income/(expenditure) for the year includes:

	2017/18 £	2016/17 £
Operating leases - other leases	925	925
Fees payable to auditor - audit	5,300	5,200
- other audit services	1,750	1,641
Depreciation of fixed assets	<u>24,778</u>	<u>44,063</u>

#### 7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	565,083	597,865
Support costs - educational operations	214,166	179,918
	<u>779,249</u>	<u>777,783</u>

	Educational operations £	2017/18 Total £	2016/17 Total £
<b>Analysis of support costs</b>			
Support staff costs	92,304	92,304	74,258
Premises costs	42,699	42,699	42,172
Other support costs	72,113	72,113	56,647
Governance costs	7,050	7,050	6,841
Total support costs	<u>214,166</u>	<u>214,166</u>	<u>179,918</u>



## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 8 Staff

##### Staff costs

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	435,263	437,584
Social security costs	32,719	33,779
Pension costs	106,115	100,978
	574,097	572,341
Supply teacher costs	-	180
	574,097	572,521

##### Staff numbers

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

	2017/18 No	2016/17 No
<b>Charitable Activities</b>		
Teachers	7	7
Administration and support	19	19
Management	3	3
	29	29

##### Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	-	1
	-	1

##### 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 £62,955 (2017: £78,001).

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 9 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:

Phil Millward (Head Teacher):

Remuneration: £45,000 - £50,000 (2017 - )

Employer's pension contributions: £5,000 - £10,000 (2017 - )

Tracy McConnell (Head teacher (Retired)):

Remuneration: £Nil (2017 - £60,000 - £65,000)

Employer's pension contributions: £Nil (2017 - £10,000 - £15,000)

Jenifer Smith (Staff trustee):

Remuneration: £35,000 - £40,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Louise Parrott (Staff trustee):

Remuneration: £35,000 - £40,000 (2017 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Maria Bradley (Staff trustee):

Remuneration: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 22.

#### 10 Trustees' 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 £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £138 (2017 - £208).

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

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 11 Tangible fixed assets

	Mobile cabin £	Leasehold buildings £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>					
At 1 September 2017	74,000	508,231	39,023	67,361	688,615
Additions	-	-	4,353	1,713	6,066
At 31 August 2018	<u>74,000</u>	<u>508,231</u>	<u>43,376</u>	<u>69,074</u>	<u>694,681</u>
<b>Depreciation</b>					
At 1 September 2017	11,100	45,494	20,358	61,536	138,488
Charge for the year	3,700	10,165	6,844	4,070	24,779
At 31 August 2018	<u>14,800</u>	<u>55,659</u>	<u>27,202</u>	<u>65,606</u>	<u>163,267</u>
<b>Net book value</b>					
At 31 August 2018	<u><u>59,200</u></u>	<u><u>452,572</u></u>	<u><u>16,174</u></u>	<u><u>3,468</u></u>	<u><u>531,414</u></u>
At 31 August 2017	<u><u>62,900</u></u>	<u><u>462,737</u></u>	<u><u>18,665</u></u>	<u><u>5,825</u></u>	<u><u>550,127</u></u>

#### 12 Debtors

	2018 £	2017 £
VAT recoverable	5,709	1,083
Prepayments	12,457	15,251
Accrued grant and other income	8,100	6,505
	<u><u>26,266</u></u>	<u><u>22,839</u></u>

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	44
Other taxation and social security	15,552	15,815
Other creditors	5,076	9,430
Accruals	10,913	14,653
Deferred income	19,502	27,977
	<u>51,043</u>	<u>67,919</u>

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	27,977	12,964
Resources deferred in the period	19,502	27,977
Amounts released from previous periods	<u>(27,977)</u>	<u>(12,964)</u>
Deferred income at 31 August 2018	<u>19,502</u>	<u>27,977</u>

Deferred income comprises Universal Infant Free School Meal (UIFSM) income received during the year, relating to 2018-19.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 14 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	158,257	681,019	(636,254)	-	203,022
Other DfE/ESFA grants	-	17,390	(17,390)	-	-
Pupil premium	-	34,008	(34,008)	-	-
	<u>158,257</u>	<u>732,417</u>	<u>(687,652)</u>	<u>-</u>	<u>203,022</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	66,127	5,834	(14,779)	-	57,182
Capital expenditure from other funds	27,000	-	-	-	27,000
Assets transferred on conversion	455,000	-	(10,000)	-	445,000
Other donation	2,000	4,353	-	-	6,353
	<u>550,127</u>	<u>10,187</u>	<u>(24,779)</u>	<u>-</u>	<u>535,535</u>
<b>Restricted pension funds</b>					
Pension reserve	(324,000)	-	(35,000)	66,000	(293,000)
Total restricted funds	384,384	742,604	(747,431)	66,000	445,557
<b>Unrestricted funds</b>					
Unrestricted general funds	58,245	26,647	(34,818)	-	50,074
Total funds	<u>442,629</u>	<u>769,251</u>	<u>(782,249)</u>	<u>66,000</u>	<u>495,631</u>

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	152,138	635,708	(624,095)	(5,494)	158,257
Other DfE/ESFA grants	-	10,667	(10,667)	-	-
Other restricted funds	-	5,208	(5,208)	-	-
Pupil premium	-	34,210	(34,210)	-	-
	<u>152,138</u>	<u>685,793</u>	<u>(674,180)</u>	<u>(5,494)</u>	<u>158,257</u>

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 14 Funds (continued)

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted fixed asset funds</b>					
DfE capital grants	88,963	5,733	(34,063)	5,494	66,127
Capital expenditure from other funds	27,000	-	-	-	27,000
Assets transferred on conversion	465,000	-	(10,000)	-	455,000
Other donation	-	2,000	-	-	2,000
	<u>580,963</u>	<u>7,733</u>	<u>(44,063)</u>	<u>5,494</u>	<u>550,127</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(328,000)</u>	<u>-</u>	<u>(29,000)</u>	<u>33,000</u>	<u>(324,000)</u>
Total restricted funds	405,101	693,526	(747,243)	33,000	384,384
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>73,505</u>	<u>15,280</u>	<u>(30,540)</u>	<u>-</u>	<u>58,245</u>
Total funds	<u><u>478,606</u></u>	<u><u>708,806</u></u>	<u><u>(777,783)</u></u>	<u><u>33,000</u></u>	<u><u>442,629</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	152,138	1,316,727	(1,260,349)	(5,494)	203,022
Other DfE/ESFA grants	-	28,057	(28,057)	-	-
Other restricted funds	-	5,208	(5,208)	-	-
Pupil premium	-	68,218	(68,218)	-	-
	<u>152,138</u>	<u>1,418,210</u>	<u>(1,361,832)</u>	<u>(5,494)</u>	<u>203,022</u>
<b>Restricted fixed asset funds</b>					
DfE capital grants	88,963	11,567	(48,842)	5,494	57,182
Capital expenditure from other funds	27,000	-	-	-	27,000
Assets transferred on conversion	465,000	-	(20,000)	-	445,000
Other donation	-	6,353	-	-	6,353
	<u>580,963</u>	<u>17,920</u>	<u>(68,842)</u>	<u>5,494</u>	<u>535,535</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(328,000)</u>	<u>-</u>	<u>(64,000)</u>	<u>99,000</u>	<u>(293,000)</u>
Total restricted funds	405,101	1,436,130	(1,494,674)	99,000	445,557

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 14 Funds (continued)

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>					
Unrestricted general funds	73,505	41,927	(65,358)	-	50,074
Total funds	<u>478,606</u>	<u>1,478,057</u>	<u>(1,560,032)</u>	<u>99,000</u>	<u>495,631</u>

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

#### Restricted general funds

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve, which represents the potential liability due by the Academy at the period end.

#### Restricted fixed asset fund

This fund represents the net book value of fixed assets purchased using grants received and fixed assets transferred on conversion.

#### Unrestricted funds

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the Academy.

#### 15 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	(4,121)	535,535	531,414
Current assets	50,074	258,186	-	308,260
Current liabilities	-	(51,043)	-	(51,043)
Pension scheme liability	-	(293,000)	-	(293,000)
Total net assets	<u>50,074</u>	<u>(89,978)</u>	<u>535,535</u>	<u>495,631</u>

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

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 15 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	550,127	550,127
Current assets	58,245	226,176	-	284,421
Current liabilities	-	(67,919)	-	(67,919)
Pension scheme liability	-	(324,000)	-	(324,000)
Total net assets	<u>58,245</u>	<u>(165,743)</u>	<u>550,127</u>	<u>442,629</u>

#### 16 Commitments under operating leases

##### *Operating leases*

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

	2018 £	2017 £
Amounts due within one year	694	925
Amounts due between one and five years	-	684
	<u>694</u>	<u>1,609</u>

#### 17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2017/18 £	2016/17 £
Net expenditure	(12,998)	(68,977)
Depreciation	24,779	44,063
Interest receivable	(137)	(98)
Defined benefit pension scheme obligation inherited	27,000	22,000
Defined benefit pension scheme finance cost	8,000	7,000
Increase in debtors	(3,427)	(4,924)
(Decrease)/increase in creditors	(16,876)	18,564
Net cash provided by Operating Activities	<u>26,341</u>	<u>17,628</u>

#### 18 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	137	98
Purchase of tangible fixed assets	(6,066)	(13,227)
Net cash used in investing activities	<u>(5,929)</u>	<u>(13,129)</u>



## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 19 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	<u>281,994</u>	<u>261,582</u>
Total cash and cash equivalents	<u><u>281,994</u></u>	<u><u>261,582</u></u>

#### 20 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.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 21 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

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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%.

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 21 Pension and similar obligations (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £48,494 (2017: £49,845).

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

Under the definitions set out in Financial Reporting Standard 102 (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 2018 was £38,000 (2017 - £29,000), of which employer's contributions totalled £31,000 (2017 - £29,000) and employees' contributions totalled £7,000 (2017 - £Nil). The agreed contribution rates for future years are 24.3 & 25.3 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.40	3.40
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	2.40	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:

	2018	2017
<b>Retiring today</b>		
Males retiring today	22.10	22.10
Females retiring today	24.30	24.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.80	23.80
Females retiring in 20 years	<u>26.20</u>	<u>26.20</u>

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 21 Pension and similar obligations (continued)

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Equities	284,000	271,000
Other bonds	124,000	81,000
Property	41,000	32,000
Cash and other liquid assets	9,000	20,000
<b>Total market value of assets</b>	<b><u>458,000</u></b>	<b><u>404,000</u></b>

The actual return on scheme assets was £20,000 (2017 - £37,000).

#### Amounts recognised in the statement of financial activities

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Current service cost	58,000	51,000
Interest income	(11,000)	(7,000)
Interest cost	19,000	14,000
<b>Total amount recognised in the SOFA</b>	<b><u>66,000</u></b>	<b><u>58,000</u></b>

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

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
At start of period	728,000	661,000
Current service cost	58,000	51,000
Interest cost	19,000	14,000
Employee contributions	7,000	7,000
Actuarial (gain)/loss	(57,000)	(3,000)
Benefits paid	(4,000)	(2,000)
<b>At 31 August</b>	<b><u>751,000</u></b>	<b><u>728,000</u></b>

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

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
At start of period	404,000	333,000
Interest income	11,000	7,000
Actuarial gain/(loss)	9,000	30,000
Employer contributions	31,000	29,000
Employee contributions	7,000	7,000
Benefits paid	(4,000)	(2,000)
<b>At 31 August</b>	<b><u>458,000</u></b>	<b><u>404,000</u></b>

## Asfordby Hill Primary School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 22 Related party transactions

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

#### Expenditure related party transactions

During the year the academy made the following related party transactions:

##### **Nactive Sports Limited**

(Natalie Hurst is a director of Nactive Sports Limited and is also a trustee of Asfordby Hill Primary School.) Nactive Sports Limited is a company which provides sports tuition to pupils at the school. The school fund any pupil premium children who take part. The total value of tuition paid for during the year amounted to £2,106 (2017: £1,530). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017. At the balance sheet date the amount due to Nactive Sports Limited was £Nil (2017 - £Nil).

##### **Melton Guitar Tuition**

(Lex Forrester is a trustee of Asfordby Hill Primary School and also provides tuition through Melton Guitar Tuition.)

Provision of guitar tuition to pupils of Asfordby Hill Primary School. The school funds pupil premium pupils who take up guitar lessons. The total value of tuition paid for during the year amounted to £245 (2017: £1,333). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017. At the balance sheet date the amount due to Melton Guitar Tuition was £Nil (2017 - £Nil).