

Company Registration Number: 0834113 (England & Wales)

**PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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PUTNOE PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr Carl Du Plessis, Parent Governor & Chair Mrs Deborah Orr, Parent Governor & Vice Chair Mrs Gillian Peck, Headteacher Mrs Allison Llewellyn, Staff Governor Miss E Shakeshaft, Staff Governor (appointed 27 March 2019) Rev Simon Dommett, Co-opted Governor (appointed 27 March 2019) Miss Jennifer McAteer, Co-opted Governor (resigned 9 July 2019)
Company registered number	0834113
Company name	Putnoe Primary School
Principal and registered office	Church Lane Bedford MK41 0DH
Senior management team	Gillian Peck, Headteacher Simon Petch, Deputy Headteacher Matthew Rogers, Senior Teacher Andrew Pope, Senior Teacher Pauline Gayle, Senior Teacher Joanne Camino, Senior Teacher Helen Clarke, Senior Teacher Clare Bilham, Senior Teacher
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditor Equipoise House Grove Place Bedford MK40 3LE
Bankers	National Westminster Bank Plc 81 High Street Bedford MK40 1YN
Solicitors	Stone King Solicitors 13 Queens Square Bath BA1 2HJ

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bedford. It has a pupil capacity of 630 and had a roll of 584 in the school census on January 2019.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity. The Academy is a single Academy Trust and these financial statements give the results of the Academy as a single entity. The Academy is incorporated in England and Wales.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Putnoe Primary School are also the directors of the charitable company for the purposes of company law. The Trustees are also known as Governors.

The charitable company is known as Putnoe Primary School.

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

b. Members' liability

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

c. Trustees' indemnities

Governors benefit from indemnity insurance 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. The cost of this insurance in the year was included in the RPA scheme operated by the ESFA.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Governing Body comprises of a minimum of two parent Governors, up to seven community Governors, up to two staff Governors and the Headteacher. The parent Governors are elected by the parent body of the School. The staff Governors are elected by the School's staff. The community Governors are appointed by the Members of the Academy Trust. Community Governors may be re-appointed after the end of their term of office. Individuals may request to join the Governing Body and the Members of the Academy Trust may decide to invite one of these individuals to join should a vacancy arise.

The Governing Body is currently experiencing difficulties in recruiting suitable members, which has meant that numbers are currently below what would normally be expected.

e. Policies adopted for the induction and training of Trustees

All Governors undertake training as appropriate to their work at the School. New Governors will be provided with an induction programme. A log is kept of all Governor training and reviewed on a regular basis at the full Governing Body meetings.

The Governors, who are also the charity Trustees, are responsible for the overall management and control of the School and meet at least three times a year. The work of reviewing and monitoring most policies is ordinarily delegated to the members of the Committees as outlined below. They all work under the chair of a Governor appointed at the first committee meeting in each academic year. Terms of reference of these committees are agreed annually at these meetings.

Unfortunately due to the current difficulty in recruiting members to the Governing Body, reviewing and monitoring of policies is undertaken in the half termly full Governing Body meetings.

The Clerk to the Governing Body co-ordinates the work of the Governors and their committees, prepares agendas and papers and reviews matters arising. The Finance Manager prepares the accounts on behalf of the Governors. All Governors give their time to the role freely, no remuneration or expenses were paid in the year.

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

Structure, governance and management (continued)

f. Organisational structure

The Governors determine the general policies of the School. The day to day running of the School is delegated to the Headteacher, supported by the Senior Management Team. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Management Team. The day to day administration is undertaken within the policies and procedures approved by the Governors. Only significant expenditure decisions and major capital projects should be referred to the Governors for prior approval. The Headteacher is an ex-officio Governor and Accounting Officer and attends all Governing Body meetings. The School Finance Manager attends the full Governing Body Meetings.

The Governing Body

The Governing Body will take a strategic role, act as a critical friend to the School and be accountable for its decisions. It will set the vision and key goals and agree, monitor and review policies, targets and priorities.

Within this role, the Governing Body takes on specific tasks relating to the management of the school and ensuring the standards of education received by the pupils of the school.

Specifically with respect to Standards within the school:

- To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory requirements and the School's Curriculum Policy and Teaching and Learning Policy.
- To consider curricular issues which have implications for finance and personnel decisions and to make recommendations in relation to this.
- To ensure that children's enjoyment of lessons is an integral part of all curriculum planning.
- To oversee the analysis annually of test data and pupil assessment and make recommendations as appropriate.
- To ensure that all curricular improvements required by OfSTED are implemented.
- To review annually the School Prospectus.
- To make arrangements for the Governing Body to be represented at School Improvement discussions with the SIA and for reports to be received by the Governing Body.
- To oversee arrangements for individual Governors to take a leading role in specific areas of provision (e.g. SEN, Literacy, Numeracy and Curriculum Leadership Groups), to receive regular reports from them and advise the Governing Body.

With respect to the management of the school:

- To draft and review annually the staffing structure, in consultation with the Headteacher. To oversee the selection and appointment procedure for all staff.
- To oversee and review termly, the school's safeguarding procedures, including the implementation of the Child Protection and Safer Recruiting policies.
- To establish and review a Performance Management policy for all staff.
- To oversee the process leading to staff reductions.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.
- To make recommendations on personnel related expenditure.
- To ensure that EFSA regulatory and guidance documents are implemented appropriately in the school, with specific reference to the role assigned to the Governing Body.

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

Structure, governance and management (continued)

In addition, the following other sub-committees are there to meet specific needs:

Staff Pay Committee

- To consider and decide upon all matters relating to staff pay as part of the annual review process in accordance with the whole school salary policy agreed by the Governing Body in respect of the following staff: school teachers; NJC Local Government Services Staff; and any other staff as determined by the Governing Body.

Hearings committee

- To make any determination to dismiss any member of staff.
- To make any decisions under the Governing Body's personnel procedures (e.g. disciplinary, grievance, capability where the Headteacher is the subject of the action).
- To make any determination or decision under the Governing Body's General Complaints Procedure for Parents and others.
- To make any determination or decision under the Governing Body's Curriculum Complaints Procedure, in respect of National Curriculum disapplications, and the operation of the Governing Body's charging policy.
- To oversee arrangements for educational visits, including the appointment of a named co-ordinator ("EVC").

Appeals committee

- To consider any appeal against a decision to dismiss a member of staff made by the Hearings Committee.
- To consider any appeal against a decision short of dismissal under the Governing Body's personnel procedures (e.g. disciplinary, grievance, capability).
- To consider any appeal against selection for redundancy. To consider any appeal against a pay decision.

Pupil Discipline Committee

- To consider representations from parents in the case of exclusions of five days or less (Committee may not re-instate).
- To consider representations from parents in the case of exclusions totalling more than five but not more than 15 school days in one term (meeting to be held between 6th and 15th school days after receiving notice of the exclusion).
- To consider the appropriateness of any permanent exclusion or any exclusion where one or more fixed period exclusions total more than 15 school days in one term or where a pupil is denied the chance to take a public examination (meeting to be held between 6th and 15th school days after receiving notice of the exclusion).

Headteacher's Performance Review Group

- To arrange to meet with the External Adviser / School Improvement Partner to discuss the Headteacher's performance targets.
- To decide, with the support of the External Adviser / School Improvement Partner, whether the targets have been met and to set new targets annually.
- To monitor through the year the performance of the Headteacher against the targets.
- To make recommendations to the Management Committee in respect of awards for the successful meeting of targets set.

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

Structure, governance and management (continued)

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

Key Management Personnel of the Academy comprise the Governors and Senior Management Team. The Governors are not remunerated in their role as Governors.

The Headteacher's remuneration is set by the Headteacher Performance Review Group following performance management review and bench marked against appropriate pay in the sector. The remuneration of all other staff are considered annually and at strategic times in the year by the Staff Pay Committee following appraisals and based on initial recommendations by the Headteacher.

Objectives and activities

a. Objects and aims

Putnoe Primary School's objects are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

1. To improve the achievement of all pupils and to monitor the standards and progress of reading, writing and maths across all the school. Instilling in all pupils a love of reading - OfSTED priority.
2. To continue to develop and build upon the legacy of the School's Arts Mark Platinum Award ensuring the arts are evident throughout the curriculum, and to explore extending in to the wider community.
3. To ensure that all pupils receive the appropriate support in order to reach their academic potential. In particular to continue to record and track pupil premium expenditure and the impact of this.
4. To monitor progress in relation to the School Improvement Plan and the specific targets set out within this.

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

Objectives and activities (continued)

c. Public benefit

In setting the Academy's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. The Academy Trust's object is specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, continuing, managing and developing a school offering a broad and balanced curriculum.
- To promote for the benefit of the inhabitants of Bedford and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social; welfare and with the object of improving the condition of life of the said inhabitants.

The Academy is a non-selective school serving Bedford. It is subject to the current statutory arrangements as laid down in the national Admissions Code.

Strategic report

Achievements and performance

a. Going concern

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

Financial review

a. Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to funds earmarked for future capital projects. The level of reserves will be kept under review by the Governors.

Reserves at the end of the period 31 August 2019 were £7,124,254 comprising £248,405 on the restricted general funds, £177,710 of unrestricted general funds, £7,675,139 of restricted fixed asset fund and a pension reserve deficit of £977,000.

The Governors are aware of the high percentage of carry forward reserves into 2019/2020. The Governors have approved: the building of a crèche (an initiative to retain and recruit staff) £150,000; a media suite revamp £30,000; £80,000 to support our ICT 'road map'; £100,000 to refurbish the sports hall and update its heating; £10,000 to remove an old oil tank for storage for a letting; and £25,000 for improvements to the exterior of the School.

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

Strategic report (continued)

Financial review (continued)

The deficit on the pension reserve relates to the non-teaching staff pension scheme (Local Government Pension Scheme) where, unlike the Teachers' Pension Scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

b. Investment policy

The School's Investment Strategy is:

- Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the accounts have adequate balances to meet forthcoming commitments.
- Funds surplus to immediate cash requirements (set at £10k) are transferred nightly to the School's liquidity deposit account bearing a higher interest rate.
- Periodically review interest rates and compare with other investment opportunities.
- The School's current policy is to only invest funds in risk free and immediately accessible deposit accounts.

Any change in policy requires the approval of Governors via the Management Committee.

c. Principal risks and uncertainties

The Governing Body has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks the Academy faces are mitigated by the fact that they relate largely to bank balances, cash and trade creditors, with limited trade (and other) debtors. The exception is the Pension Scheme for Local Government Employees which has a current shortfall of £977,000 which the Academy is making up over 7 years. This amount is booked as a liability in these financial statements.

Fundraising

The core objective of the PTA is to enhance the education of pupils at Putnoe Primary School by:

- Developing and maintaining close cooperation between school staff, parents and other associates of the school.
- Providing the necessary facilities to engage in activities which support the school and advance the education, health and welfare of the pupils.
- Identifying and representing the views of parents with regard to the school's operation, attainment, etc.

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

Plans for future periods

To continue to raise attainment across the School the Governors intend to monitor the curriculum and ensure reading skills continue to improve for every child. Access to the arts and culture will continue to be a high priority, giving pupils those skills and experiences that will enable them to become citizens of the world.

This coming year the school will be focusing on:

Improving the exterior walls of the main school building by adding cladding	£25,000
ICT road map to ensure the high standard of teaching	£80,000
Refurbish the sport hall and update the heating	£100,000

Funds held as custodian on behalf of others


No such funds are held by Putnoe Primary School.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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



Mr Carl Du Plessis
(Chair of Trustees)

Date: 3/12/19

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Putnoe 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 the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Putnoe 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 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr Carl Du Plessis, Parent Governor & Chair	3	5
Mrs Deborah Orr, Parent Governor & Vice Chair	5	5
Mrs Gillian Peck, Headteacher	5	5
Mrs Allison Llewellyn, Staff Governor	5	5
Miss E Shakeshaft, Staff Governor	2	4
Rev Simon Dommett, Co-opted Governor	3	3
Miss Jennifer McAteer, Co-opted Governor	0	3

The Governors have completed a Governor Health check in June 2016. Three areas have been identified for improvement over the next year. Most urgent of these is improving our understanding of pupil assessment data. Training for Governors in this area is already included in the strategic plan for the next year. The other two areas relate to communication with stakeholders and the need to be more proactive in opening channels of communication. The main groups worthy of better communication are parents through the School website and staff through staff meetings.

The **Management Committee** is a sub-committee of the main Board of Trustees. Its purpose is:

- to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity; and
- to make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

Major issues will be referred to the full Governing Body for ratification.

During the year Simon Dommett joined the Committee.

PUTNOE PRIMARY SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Dommatt	3	3
Emma Shakeshaft	2	4

Review of value for money

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

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

- Acquiring three quotes for purchases over the limit of £10,000.
- Ensuring that the Management Committee has available regular updated audits concerning budget holder reports, to monitor effective use of resources.
- Continually develop the School's target setting and tracking systems and share outcomes and analyses with staff and Governors to ensure finances are directed towards highlighted areas of need.

The purpose of the system of internal control

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

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

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

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

On a termly basis, the external auditor reports to the Board of Trustees through the Management Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

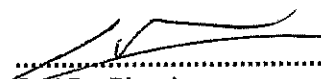
Review of effectiveness


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

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

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

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


.....
Carl Du Plessis
Chair of Trustees


.....
Gillian Peck
Accounting Officer

Date: 3/12/19

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
Gillian Peck
Accounting Officer

Date: 3/12/19

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

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

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


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

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

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

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

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


.....
Mr Carl Du Plessis
Chair of Governors

Date: 3/12/19

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PUTNOE PRIMARY SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

PUTNOE PRIMARY SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PUTNOE PRIMARY SCHOOL (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Strategic report and the Directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic report and Directors report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PUTNOE PRIMARY SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

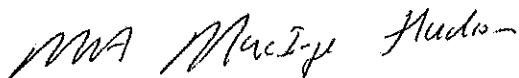
Auditor's responsibilities for the audit of the financial statements

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.

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 Auditor's Report.

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 19/12/19

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 30 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Putnoe Primary School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Putnoe Primary School's funding agreement with the Secretary of State for Education dated 27 March 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

Approach

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

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

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

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

The work undertaken to draw out conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- consideration of governance issues
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 19/12/19

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	-	349,068	349,068	187,397
Charitable activities	4	-	2,671,139	-	2,671,139	2,653,907
Other trading activities	5	89,975	-	-	89,975	103,928
Investments	6	1,176	-	-	1,176	708
Total income		91,151	2,671,139	349,068	3,111,358	2,945,940
Expenditure on:						
Raising funds	7	6,950	175	-	7,125	6,145
Charitable activities	7	49,822	2,810,906	249,664	3,110,392	2,966,617
Total expenditure	7	56,772	2,811,081	249,664	3,117,517	2,972,762
Net income/(expenditure)		34,379	(139,942)	99,404	(6,159)	(26,822)
Transfers between funds	16	(21,783)	(189,061)	210,844	-	-
Net movement in funds before other recognised gains/(losses)		12,596	(329,003)	310,248	(6,159)	(26,822)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(352,000)	-	(352,000)	250,000
Net movement in funds		12,596	(681,003)	310,248	(358,159)	223,178

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward	165,114	(47,592)	7,364,891	7,482,413	7,259,235
Net movement in funds	12,596	(681,003)	310,248	(358,159)	223,178
Total funds carried forward	177,710	(728,595)	7,675,139	7,124,254	7,482,413

The notes on pages 25 to 49 form part of these financial statements.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 0834113

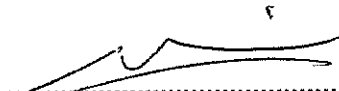
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	7,642,677	7,215,404
Debtors	14	230,029	175,635
Cash at bank and in hand		315,178	769,500
		<u>8,187,884</u>	<u>8,160,539</u>
Creditors: amounts falling due within one year	15	(86,630)	(169,126)
Net current assets		8,101,254	7,991,413
Total assets less current liabilities		8,101,254	7,991,413
Net assets excluding pension liability		8,101,254	7,991,413
Defined benefit pension scheme liability	21	(977,000)	(509,000)
Total net assets		7,124,254	7,482,413
Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	7,675,139	7,364,891
Restricted income funds	16	248,405	461,408
		<u>7,923,544</u>	<u>7,826,299</u>
Restricted funds excluding pension asset	16	7,923,544	7,826,299
Pension reserve	16	(977,000)	(509,000)
Total restricted funds	16	6,946,544	7,317,299
Unrestricted income funds	16	177,710	165,114
Total funds		7,124,254	7,482,413

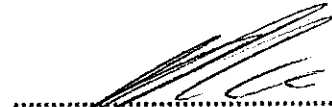
PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:


.....
Mr Carl Du Plessis
Chair of Governors

Date: 3/12/19


.....
Mrs Gillian Peck
Accounting Officer

Date: 3/12/19

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(127,629)	101,873
Cash flows from investing activities	19	(326,693)	(515,167)
Change in cash and cash equivalents in the year		(454,322)	(413,294)
Cash and cash equivalents at the beginning of the year		769,500	1,182,794
Cash and cash equivalents at the end of the year	20	<u>315,178</u>	<u>769,500</u>

The notes on pages 25 to 49 form part of these financial statements

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in sterling, the functional currency, rounded to the nearest whole GBP.

It is a company limited by guarantee, incorporated in England. The address of the registered office and principle place of operation are detailed on page 1. The nature of the Academy Trust's operations and principle activity are detailed in the Governors' Report.

1.2 Going concern

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

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

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

1.4 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.

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

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

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

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

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold buildings	-	2% per annum on a straight line basis
Furniture and fixtures	-	25% per annum on a straight line basis
Plant and equipment	-	25% per annum on a straight line basis
Computer equipment	-	25% per annum on a straight line basis

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

1. Accounting policies (continued)

1.12 Operating leases

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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.

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgment:

The judgments that have had a significant effect on amounts recognised in the Financial Statements are those concerning the choice of depreciation policies and asset lives.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	-	-	350
Capital Grants	-	349,068	349,068	187,047
	<hr/>	<hr/>	<hr/>	<hr/>
	-	349,068	349,068	187,397
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	<hr/> 350 <hr/>	<hr/> 187,047 <hr/>	<hr/> 187,397 <hr/>	

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	2,207,628	2,207,628	2,133,327
Pupil Premium	280,020	280,020	300,788
Other ESFA/DfE grants	99,867	99,867	82,629
	<u>2,587,515</u>	<u>2,587,515</u>	<u>2,516,744</u>
Other government grants			
Local authority grants	60,099	60,099	101,693
	<u>60,099</u>	<u>60,099</u>	<u>101,693</u>
Other funding			
Other income	23,525	23,525	35,470
	<u>23,525</u>	<u>23,525</u>	<u>35,470</u>
	<u><u>2,671,139</u></u>	<u><u>2,671,139</u></u>	<u><u>2,653,907</u></u>

All 2018 funds received of £2,653,907 were classed as restricted funds.

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £
Hire of facilities	6,607	6,607
Other income	12,788	12,788
School shop	14,215	14,215
School clubs	56,365	56,365
Total 2019	89,975	89,975

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Hire of facilities	7,394	-	7,394
Other income	37,918	958	38,876
School shop	11,301	-	11,301
School clubs	46,357	-	46,357
Total 2018	102,970	958	103,928

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	1,176	1,176	708

PUTNOE PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	7,125	7,125
Educational operations:				
Direct costs	2,082,315	-	217,982	2,300,297
Allocated support costs	282,140	249,664	278,291	810,095
Total 2019	2,364,455	249,664	503,398	3,117,517

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	6,145	6,145
Educational operations:				
Direct costs	1,964,145	-	218,485	2,182,630
Allocated support costs	262,868	220,206	300,913	783,987
Total 2018	2,227,013	220,206	525,543	2,972,762

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	2,300,297	810,095	3,110,392

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational operations	2,182,630	783,987	2,966,617

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	2,069,748	1,946,113
Agency staff costs	12,567	18,032
Educational supplies	100,846	114,668
Staff development	6,750	7,954
Staff related insurance	15,410	17,586
Technology costs	28,422	15,217
Other direct costs	66,554	63,060
	<u>2,300,297</u>	<u>2,182,630</u>

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	282,140	262,868
Depreciation	249,664	220,206
Technology costs	14,304	19,104
Defined benefit pension scheme - net finance cost	12,000	17,000
Maintenance of premises and equipment	32,441	51,315
Operating lease rentals	8,857	10,111
Rent and rates	7,973	6,679
Energy	24,737	19,109
Insurance	12,796	14,838
Catering	115,315	106,064
Other occupancy costs	30,498	20,147
Other support costs	17,617	20,640
Governance costs	1,753	15,906
	810,095	783,987

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	8,857	10,111
Depreciation of tangible fixed assets	249,664	220,206
Fees paid to auditor for:		
- audit	8,180	7,400
- other services	1,935	6,032

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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,793,020	1,656,970
Social security costs	144,397	136,266
Pension costs	414,471	415,745
	<u>2,351,888</u>	<u>2,208,981</u>
Agency staff costs	12,567	18,032
	<u><u>2,364,455</u></u>	<u><u>2,227,013</u></u>

b. Staff numbers

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

	2019 No.	2018 No.
Teaching	23	21
Administration and support	65	64
Management	6	8
	<u>94</u>	<u>93</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £80,001 - £90,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 pension contributions for this staff member amounted to £14,241 (2018: £14,039).

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FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

d. Key management personnel

The Key Management Personnel of the Academy comprise the Governors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employers national insurance and employer's pension contributions) received by Key Management Personnel for their services to the Academy was £456,627 (2018: £545,108).

11. Trustees' remuneration and expenses

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

Mrs Gillian Peck (Headteacher):

Remuneration	£85,000 - £90,000 (2018: £85,000 - £90,000)
Employer's pension contributions	£10,000 - £15,000 (2018: £10,000 - £15,000)

Mrs Allison Llewellyn (Staff Governor):

Remuneration	£35,000 - £40,000 (2018: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000 (2018: £5,000 - £10,000)

Miss Emma Shakeshaft (Staff Governor):

Remuneration	£35,000 - £40,000 (2018: £nil)
Employer's pension contributions	£5,000 - £10,000 (2018: £nil)

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £111).

12. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Plant and equipment £	Furniture and fixtures £	Total £
Cost or valuation				
At 1 September 2018	7,402,030	376,139	213,215	7,991,384
Additions	610,201	53,366	13,370	676,937
At 31 August 2019	<u>8,012,231</u>	<u>429,505</u>	<u>226,585</u>	<u>8,668,321</u>
Depreciation				
At 1 September 2018	475,117	168,582	132,281	775,980
Charge for the year	108,041	95,959	45,664	249,664
At 31 August 2019	<u>583,158</u>	<u>264,541</u>	<u>177,945</u>	<u>1,025,644</u>
Net book value				
At 31 August 2019	<u>7,429,073</u>	<u>164,964</u>	<u>48,640</u>	<u>7,642,677</u>
At 31 August 2018	<u>6,926,913</u>	<u>207,557</u>	<u>80,934</u>	<u>7,215,404</u>

Included in freehold property is freehold land at valuation at conversion to Academy status of £2,000,000 which is not depreciated. The Governors consider that the valuation of the freehold property remains appropriate as at 31 August 2019.

14. Debtors

	2019 £	2018 £
Trade debtors	34,305	28,860
Other debtors	62,076	39,588
Prepayments and accrued income	133,648	107,187
	<u>230,029</u>	<u>175,635</u>

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15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	17,774	99,889
Other taxation and social security	5,625	-
Accruals and deferred income	63,231	69,237
	<u>86,630</u>	<u>169,126</u>

Deferred income

	2019 £	2018 £
Deferred income at 1 September 2018	42,138	45,329
Resources deferred during the year	45,643	42,138
Amounts released from previous years	(42,138)	(45,329)
Deferred income at 31 August 2019	<u>45,643</u>	<u>42,138</u>

At the balance sheet date the Academy Trust was holding funds received in advance for the following purposes: capital funding £8,069 (2018: £6,322), Universal Infant Free School Meals £34,924 (2018: £35,816) and trip income £2,650 (2018: £nil).

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

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General unrestricted funds	165,114	91,151	(56,772)	(21,783)	-	177,710
Restricted general funds						
General Annual Grant (GAG)	256,621	2,225,706	(2,293,266)	(189,061)	-	-
Other restricted funds	204,787	445,433	(401,815)	-	-	248,405
Pension reserve	(509,000)	-	(116,000)	-	(352,000)	(977,000)
	<u>(47,592)</u>	<u>2,671,139</u>	<u>(2,811,081)</u>	<u>(189,061)</u>	<u>(352,000)</u>	<u>(728,595)</u>
Restricted fixed asset funds						
Fixed asset fund	7,364,891	349,068	(249,664)	210,844	-	7,675,139
Total Restricted funds	<u>7,317,299</u>	<u>3,020,207</u>	<u>(3,060,745)</u>	<u>21,783</u>	<u>(352,000)</u>	<u>6,946,544</u>
Total funds	<u><u>7,482,413</u></u>	<u><u>3,111,358</u></u>	<u><u>(3,117,517)</u></u>	<u><u>-</u></u>	<u><u>(352,000)</u></u>	<u><u>7,124,254</u></u>

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

16. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

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

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium and other local authority funding for which income received is used to cover costs associated with these activities. Unrestricted funds are used to meet charitable objectives of the Academy at the discretion of the Governors.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme. As at 31 August 2019 the fund is in deficit by £977,000 but given the nature of the liability this is not payable immediately. There are plans in place to meet the deficit such that it is not a constrain on reserves.

The transfer between the unrestricted fund, General Annual Grant fund and restricted asset funds of £210,844 represents amounts capitalised during the year.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the Bedford Borough local authority following the transfer of the land and buildings. £32,462 of CIF funding received in the year and not yet spent is included in the restricted fixed asset fund.

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

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	150,897	104,028	(89,811)	-	-	165,114
Restricted funds						
General Annual Grant (GAG)	800,355	2,133,327	(2,011,699)	(665,362)	-	256,621
Other restricted funds	196,295	521,538	(513,046)	-	-	204,787
Pension reserve	(621,000)	-	(138,000)	-	250,000	(509,000)
	<u>375,650</u>	<u>2,654,865</u>	<u>(2,662,745)</u>	<u>(665,362)</u>	<u>250,000</u>	<u>(47,592)</u>
Restricted fixed asset funds						
Fixed asset funds	6,732,688	187,047	(220,206)	665,362	-	7,364,891
Total Restricted funds	<u>7,108,338</u>	<u>2,841,912</u>	<u>(2,882,951)</u>	<u>-</u>	<u>250,000</u>	<u>7,317,299</u>
Total funds	<u><u>7,259,235</u></u>	<u><u>2,945,940</u></u>	<u><u>(2,972,762)</u></u>	<u><u>-</u></u>	<u><u>250,000</u></u>	<u><u>7,482,413</u></u>

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

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,642,677	7,642,677
Current assets	177,710	335,035	32,462	545,207
Creditors due within one year	-	(86,630)	-	(86,630)
Pension scheme liability	-	(977,000)	-	(977,000)
Total	<u>177,710</u>	<u>(728,595)</u>	<u>7,675,139</u>	<u>7,124,254</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,215,404	7,215,404
Current assets	165,114	630,534	149,487	945,135
Creditors due within one year	-	(169,126)	-	(169,126)
Pension scheme liability	-	(509,000)	-	(509,000)
Total	<u>165,114</u>	<u>(47,592)</u>	<u>7,364,891</u>	<u>7,482,413</u>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(6,159)</u>	<u>(26,822)</u>
Adjustments for:		
Depreciation	249,664	220,206
Capital grants from DfE and other capital income	(349,068)	(187,047)
Interest receivable	(1,176)	(708)
Defined benefit pension scheme administration expenses	1,000	-
Defined benefit pension scheme cost less contributions payable	103,000	121,000
Defined benefit pension scheme finance cost	12,000	17,000
Increase in debtors	(54,394)	(47,798)
(Decrease)/increase in creditors	(82,496)	6,042
Net cash (used in)/provided by operating activities	<u><u>(127,629)</u></u>	<u><u>101,873</u></u>

19. Cash flows from investing activities

	2019 £	2018 £
Interest from investments	1,176	708
Purchase of tangible fixed assets	(676,937)	(702,922)
Capital grants from DfE Group	349,068	187,047
Net cash used in investing activities	<u><u>(326,693)</u></u>	<u><u>(515,167)</u></u>

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	315,178	769,500
Total cash and cash equivalents	<u><u>315,178</u></u>	<u><u>769,500</u></u>

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

21. Pension commitments

INTRODUCTION

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

SCHEME CHANGES

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 £183,000 (2018 - £172,000), of which employer's contributions totalled £143,000 (2018 - £135,000) and employees' contributions totalled £ 40,000 (2018 - £37,000). The agreed contribution rates for future years are 22.3 per cent for employers and 5.5 to 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

	2019	2018
	%	%
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.80

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.7	22.4
Females	23.2	24.5
<i>Retiring in 20 years</i>		
Males	21.7	24.0
Females	24.7	26.2

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21. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,146,000	769,000
Corporate bonds	258,000	186,000
Property	156,000	119,000
Cash and other liquid assets	77,000	251,000
Total market value of assets	1,637,000	1,325,000

The actual return on scheme assets was £40,000 (2018 - £29,000).

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

	2019 £	2018 £
Current service cost	(233,000)	(256,000)
Past service cost	(13,000)	-
Interest income	41,000	29,000
Interest cost	(53,000)	(46,000)
Total amount recognised in the Statement of Financial Activities	(258,000)	(273,000)

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

	2019 £	2018 £
At 1 September	1,834,000	1,715,000
Current service cost	233,000	256,000
Interest cost	53,000	46,000
Employee contributions	40,000	37,000
Actuarial losses/(gains)	351,000	(219,000)
Benefits paid	90,000	(1,000)
Past service costs	13,000	-
At 31 August	2,614,000	1,834,000

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

21. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,325,000	1,094,000
Expected return on assets	41,000	29,000
Actuarial (losses)/gains	(1,000)	31,000
Employer contributions	143,000	135,000
Employee contributions	40,000	37,000
Benefits paid	90,000	(1,000)
Administration expenses	(1,000)	-
At 31 August	1,637,000	1,325,000

	2019 £	2018 £
The amounts recognised in the Balance Sheet are as follows:		
Closing defined benefit obligation	(2,614,000)	(1,834,000)
Closing fair value of scheme assets	1,637,000	1,325,000
Net defined benefit pension scheme liability	(977,000)	(509,000)

22. Other finance income

	2019 £	2018 £
Interest income on pension scheme assets	41,000	29,000
Interest on pension scheme liabilities	(53,000)	(46,000)
	(12,000)	(17,000)

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23. Operating lease commitments

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

	Academy 2019 £	Academy 2018 £
Not later than 1 year	16,591	10,111
Later than 1 year and not later than 5 years	34,976	19,167
Later than 5 years	29,160	-
	<u>80,727</u>	<u>29,278</u>

All commitments above relate to assets other than land and buildings.

24. 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.

25. Related party transactions

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