

Company Registration Number: 08714241 (England & Wales)

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**SHAW RIDGE PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P C Harland N J Linsell J J Hinns
Designated Members	P C Harland ^{1,2,3} N J Linsell ¹ S E Cowell J E Bourne ^{1,3} S Carter ² B M Dudman ³ J C Falaki ² L Fleming ³ J J Hinns ^{2,3} Z C McCormick ² A Morton ¹
	¹ Resources Committee ² School Improvement Committee ³ Every Person Matters Committee
Company registered number	08714241
Company name	Shaw Ridge Primary School
Senior management team	S Cowell, Headteacher J Lee, Deputy Headteacher S Godwin, Teacher L Olnier, Teacher K Jeffery, Teacher
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
Bankers	Lloyds Bank plc Old Town Swindon SN1 3EN
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

**SHAW RIDGE PRIMARY SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust operates an academy for pupils aged 4 to 11 in West Swindon. It has a pupil capacity of 420 and had a roll of 402 in the school census on 3 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Shaw Ridge Primary School are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees 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 Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered reelection or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 3 Trustees who are subscriber members;
- Up to 3 Parent Trustees who are elected by Parents/Carers of registered pupils at the Academy;
- Up to 2 staff Trustees elected by staff at the Academy
(made up of 1 elected by teaching staff and 1 elected by nonteaching staff);
- Up to 2 Community Trustees who are appointed by Link Academy Collaborative Trust; and
- The Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed or reelected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing

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

Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with 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 only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows:

- Resources Committee this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Assurance Officer and drafting the annual budget. This committee is also responsible for and has oversight of the upkeep and maintenance of the physical structure of the school. It also incorporates the role of an audit committee;
- School Improvement Committee this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment.
- Admissions Committee this meets as required to deal with all matters relating to admissions.
- Every Person Matters Committee – this meets once a term to deal with all staffing and pastoral matters including but not limited to the welfare and safeguarding of pupils with special educational needs, pupils in receipt of pupil premium funding and looked after children.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

The Academy has a leadership structure which consists of the Trustees, the Strategic Team, the Senior Leadership Team and Subject Coordinators. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. A summary of the responsibilities at each level is given in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Academy is a member of the Link Academy Collaborative Trust which comprises four primary schools; Millbrook Primary School, Peatmoor Primary School, Shaw Ridge Primary School and Westlea Primary School. The LACT Trust Board is comprised of the Headteacher and the Chair of Trustees of each member school plus external experts in school improvement and finance.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees, the Strategic Team and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely, and details of remuneration paid to the Strategic Team and Senior Leadership Team are disclosed in the notes to the accounts, as are details of Trustees' expenses and related party transactions. The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

Connected Organisations, including Related Party Relationships

Mr Philip Harland, Chair of Governors, is also a director of a related party, Your Logo Limited, a company which supply school uniform. Your Logo Limited supply uniform directly to parents/carers through their offices and/or website. Your Logo Limited as a company have no influence on the decisions or operations of Shaw Ridge Primary School. For more information regarding related party relationships please refer to Note 26.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Shaw Ridge Primary School to provide free education and care for pupils of different abilities.

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

- To continue to raise the standard of educational attainment and achievement of all pupils;
- To provide a broad and balanced curriculum, including extracurricular activities;
- To develop students as more effective learners;
- To develop the Academy site so that it enables students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To maximise the number of students who achieve at least age related expectations and are secondary ready by the time they leave KS2;
- To provide value for money for the funds expended;
- To develop greater coherence, clarity and effectiveness in school systems;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce;
- To develop the Academy's capacity to manage change; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- To continue to raise the standard of educational attainment and achievement of all pupils.

At Shaw Ridge Primary School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Strategic Action Plan which is available from the Academy Office. Improvement focuses for this year include:

- Developing attainment and progress in maths at Key Stage 2;
- Embedding and building upon early progress in maths throughout KS1;

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FOR THE YEAR ENDED 31 AUGUST 2019**

- Increasing the number of pupils achieving and exceeding age related expectations through quality first teaching and targeted interventions;
- Ensure that all groups of children have equal access to education by working with parents through Achievement for All methodology to reduce barriers to learning;
- Ensure all statutory and LA requirements for Child Protection and Safeguarding are implemented;
- Establishing quality provision for 3 and 4year olds;
- Developing and embedding our progressive skills based on curriculum for foundation subjects; and
- Developing the strategic role of middle leaders with curriculum responsibility for implementing, monitoring and judging impact of teaching and learning.

Key activities and targets were identified in the Strategic Action Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- Range of activities to promote community cohesion and support of other charities' activities.
- Review of staffing levels in the light of budgetary pressure;
- Further development of the intranet to support administration and communication;
- Continued development of systems for tracking and monitoring progress across the whole curriculum.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its sixth year of operation and we have seen a slight decrease in the number of students to 402. The Academy is full in all but two year groups and has a waiting list in operation. One class has 31 pupils, and there are two classes in each year group. The decrease in number of students is mainly due to a lower than expected intake into F2 in September 2019, due to a lower than average birth rate for that year, as advised by Swindon Borough Council. It is expected the number will increase again in September 2020.

Our children's learning behaviour, conduct around school, knowledge of how to keep safe and confidence in adults keeping them safe is consistently at least good. Absence and persistent absence continue to be better than national average due to close attention to and high importance being given to attendance figures.

Levels of GLD have been above average in each of the last six years and there is no significant difference between boys and girls. Outcomes for disadvantaged children in EYFS are good.

End of Y1 phonics scores have been above average in each of the last five years with no significant gender difference over time and a rapidly improving picture for Disadvantaged children. The proportion of children reaching ARE by the end of Y2 is at least in line with national averages in all measures since academy conversion with most being above. In 2019, 61% of pupils achieved expected levels in the combined reading/writing/maths measure. Reading (76%) and maths (75) were broadly in line with national figures and attainment at greater depth in reading was 6% above national figures. Writing at expected (62%) was slightly below the nation (69%) largely due to middle prior attainers failing to convert. This is a development priority for 2019-20.

In KS2 in 2019 our combined score of 57% achieving standard was below the national figure and our greater depth figure of 9% was broadly in line with the national average. Our GPS score of 74% achieving standard was a little lower than local and national figures. Reading, at 61% was below the national average and is a major focus for development next year. Writing, at 75% and maths at 80% were broadly in line with the national figures. Particularly pleasing was that the number of pupils attaining the higher level of attainment in maths had

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risen in line with national figures following our disappointing attainment for higher achievers in the previous year.

Our derived scale scores for 2019 were: Reading 102.6 (National 104.4), GPS 105.5 (National 106.0) and Maths 105 (National 105.0). 64.7% of our disadvantaged children achieved or exceeded the expected level in Reading, 76.5% in Writing, and 70.6 in Maths. In terms of gender, we have a wider gender gap than the national picture in this.

In 2019, our progress between KS1 and KS2 was measured as: Reading (1.64), Writing (0.22), Maths (0.04).

Many parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, drama and trips out of school.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team.

Staff members have received high quality CPD through the collaborative teaching groups that we have established. Working with partner schools we are continually addressing training needs. Two staff members are currently undertaking national professional senior leadership qualifications and our deputy is undertaking his NPQH qualification.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date, in particular, the management of spending against General Annual Grant (GAG). In the period under review, free reserves of £73,896 were carried forward representing 5.3% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018/2019 were 414, being slightly higher than 2017/2018. It is anticipated that this number will stay the same next year. Given that the school has a capacity for 420 pupils the closer to this the number on roll is, the more financially efficient the school can be.

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 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure was £1,824,719 (excluding the fixed asset fund and pension reserve) and total income was £1,755,396. The excess of expenditure over income for the year was £69,323.

At 31 August 2019 the net book value of fixed assets was £3,592,060 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 March 2014 at £3,980,000. Other assets have been included in the financial

**TRUSTEES' REPORT (CONTINUED)
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statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its nonteaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 20 to the financial statements.

Key financial policies adopted or reviewed during the year include the Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Asset Control & Accountability Policy, Charging & Remissions Policy, Competitive Tendering Policy, Investment Policy, Reserves Policy, and Risk Management Policy.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately 2 months' salary costs which are approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total free reserves of the Academy amount to £73,896. This is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents approximately 2 weeks of normal recurring expenditure. The Trustees are confident that through consistent pupil numbers and further cost savings the reserves will return to this target level.

The Trustees note that additional funding from the government, combined with the positive impact of opening the nursery in 2020 and various staffing changes, many of which are already committed, will enable the Academy to operate on a sustainable basis in the medium term.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income.

Investment Policy

The Academy's aim is to spend the public monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The school does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow. Where the surplus is deemed to be significant and longterm, funds may be invested in Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 12 weeks, upon agreement of the Governing Body.

Principal Risks And Uncertainties

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

Financial the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 94.7% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Trustees acknowledge that upcoming financial periods are likely to be challenging and will ensure that income and expenditure budgets are managed to ensure that target level of reserves continue to be maintained.

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

**TRUSTEES' REPORT (CONTINUED)
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Reputational the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed, as well as ensuring successes are publicised in local press when possible and appropriate.

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

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

Fraud and mismanagement of funds The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is oversubscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

The Trust held only a small fundraising events during the year including nonuniform days and the funds raised were donated to other registered charities. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

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The opportunity has arisen to extend the age range for children attending Shaw Ridge School and permission has now been confirmed for that. To that end, effective January 2020, a nursery facility will be run on site, initially for children aged three and four years, with the possibility of expanding this, should need dictate, to include two year olds. This will allow additional income to be generated and redeployment of existing staff, negating the need for redundancies.

Full details of our plans for the future are given in our Strategic Action Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

TRUSTEES INDEMNITIES

Insurance provision has been arranged with a limit of Indemnity of £5,000,000.

TRADE UNION FACILITY TIME

During the year no cost was incurred by the School in relation to employees acting as a relevant union official, and no time was spent on facility time.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as company directors, on ~~5th Dec 2019~~ and signed on the board's behalf by:



P C Harland
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Shaw Ridge 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 Shaw Ridge 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 7 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
P C Harland	7	7
N J Linsell	5	7
S E Cowell	7	7
J E Bourne	6	7
S Carter	6	7
B M Dudman	5	7
J C Falaki	5	7
L Fleming	5	7
J J Hinns	6	7
Z C McCormick	7	7
A Morton	7	7

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Assurance Officer and drafting the annual budget. This committee is also responsible for and has oversight of the upkeep and maintenance of the physical structure of the school.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P C Harland	7	7
N J Linsell	4	7
S E Cowell	7	7
J E Bourne	6	7
A Morton	7	7

GOVERNANCE STATEMENT (CONTINUED)

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 ensuring funding is used effectively to provide additional support to those with greatest need, defined by progress against targets, reading age and attendance. Some examples of this, and some initiatives to raise attainment are:

- The continuing professional development and training of all staff remained a high priority during the year. We have expanded our sharing of training resources and facilities within the LACT in order to maximize savings. This year, not only have we collaboratively trained teachers but we have extended this to include training for teaching assistants across the four schools. We continue to jointly purchase consultancy services to benefit from discounted costs.
- All purchases are assessed to ensure good value for money and contracts are reviewed regularly to ensure ongoing provision is as required and at a favourable price
- We continue to buy into the Achievement For All programme which has enabled SLT to receive training which is disseminated to other staff. All children have benefitted, and the specific targeted children have shown significant progress from being part of the scheme.
- Purchasing ongoing online access to safeguarding training has enabled this critical training to be delivered in a 1:1, measurable, cost-effective manner to all staff regardless of when they commence employment during the year.
- Additional staffing to ensure all PPA time is covered by qualified teachers.
- Employment of a Child and Family Support Worker dedicated to providing support for our most vulnerable children and families
- Additional teaching assistants in classes to provide support for children
- A teaching assistant with dedicated time to support Young Carers

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 Shaw Ridge 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- 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 Financial Services 4 Schools Limited as Internal Assurance Officer.

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

On a semi-annual basis, the Internal Assurance Officer reports to the Board of Trustees on the operation of the systems of control and on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5.12.19

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


P G Harland
Chair of Trustees


S Cowell
Accounting Officer

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Shaw Ridge 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.



S Cowell
Accounting Officer
Date: 5.12.2019

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**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:



P.C. Harland
Chair of Trustees

Date: 5.12.19

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
RIDGE PRIMARY SCHOOL**

Opinion

We have audited the financial statements of Shaw Ridge 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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 Auditors' 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
RIDGE 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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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.

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.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHAW
RIDGE PRIMARY SCHOOL (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming Bath Ltd

John Talbot FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 18.12.19

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 4 December 2018 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 Shaw Ridge 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 Shaw Ridge 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 Shaw Ridge 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 Shaw Ridge Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Shaw Ridge Primary School's funding agreement with the Secretary of State for Education dated 19 December 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

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.

Bishop Fleming Bath Ltd

John Talbot FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 18.12.19

SHAW RIDGE 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	4	2,283	12,539	-	14,822	13,345
Charitable activities	5	39,171	1,661,774	-	1,700,945	1,695,064
Other trading activities	6	39,492	-	-	39,492	32,994
Investments	7	137	-	-	137	173
Total income		81,083	1,674,313	-	1,755,396	1,741,576
Expenditure on:						
Charitable activities		174,598	1,722,121	98,054	1,994,773	1,994,675
Total expenditure	8	174,598	1,722,121	98,054	1,994,773	1,994,675
Net expenditure		(93,515)	(47,808)	(98,054)	(239,377)	(253,099)
Transfers between funds	18	-	(9,750)	9,750	-	-
Net movement in funds before other recognised gains/(losses)		(93,515)	(57,558)	(88,304)	(239,377)	(253,099)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	(203,000)	-	-	(203,000)	139,000
Net movement in funds		(296,515)	(57,558)	(88,304)	(442,377)	(114,099)
Reconciliation of funds:						
Total funds brought forward		167,411	(184,000)	3,680,364	3,663,775	3,777,874
Net movement in funds		(296,515)	(57,558)	(88,304)	(442,377)	(114,099)
Total funds carried forward		(129,104)	(241,558)	3,592,060	3,221,398	3,663,775

The notes on pages 23 to 44 form part of these financial statements.

SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08714241

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	3,592,060	3,680,364
		<u>3,592,060</u>	<u>3,680,364</u>
Current assets			
Debtors	15	68,481	53,520
Cash at bank and in hand		141,089	252,465
		<u>209,570</u>	<u>305,985</u>
Creditors: amounts falling due within one year	16	(121,232)	(138,574)
Net current assets		<u>88,338</u>	<u>167,411</u>
Total assets less current liabilities		<u>3,680,398</u>	<u>3,847,775</u>
Net assets excluding pension liability		<u>3,680,398</u>	<u>3,847,775</u>
Defined benefit pension scheme liability	23	(459,000)	(184,000)
Total net assets		<u><u>3,221,398</u></u>	<u><u>3,663,775</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	3,592,060	3,680,364
Restricted income funds	18	14,442	-
		<u>3,606,502</u>	<u>3,680,364</u>
Restricted funds excluding pension asset	18	3,606,502	3,680,364
Pension reserve	18	(459,000)	(184,000)
Total restricted funds	18	<u>3,147,502</u>	<u>3,496,364</u>
Unrestricted income funds	18	<u>73,896</u>	<u>167,411</u>
Total funds		<u><u>3,221,398</u></u>	<u><u>3,663,775</u></u>

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue on 5.12.19 and are signed on their behalf, by:


P C Harland
Chair of Trustees

The notes on pages 23 to 44 form part of these financial statements.

SHAW RIDGE 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 operating activities	20	(101,763)	(67,483)
Cash flows from investing activities	21	(9,613)	(11,229)
Change in cash and cash equivalents in the year		(111,376)	(78,712)
Cash and cash equivalents at the beginning of the year		252,465	331,177
Cash and cash equivalents at the end of the year	22	<u>141,089</u>	<u>252,465</u>

The notes on pages 23 to 44 form part of these financial statements

**SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. General information

Shaw Ridge Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Shaw Ridge Primary School, Ridge Green, Shaw, Swindon, SN5 5PU.

2. 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.

2.1 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.

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

2.2 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.

The Trustees are confident that due to further cost savings, the Academy Trust will return to a surplus in future accounting periods.

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

2. Accounting policies (continued)

2.3 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.

2.4 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.

• **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.

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

2. Accounting policies (continued)

2.5 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.

2.6 TANGIBLE FIXED ASSETS

Assets costing £500 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.

On conversion the Academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	- 50 years straight line
Long-term leasehold property	- 125 years straight line
Furniture and fixtures	- 5-10 years straight line
Computer equipment	- 3 years straight line

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.

2.7 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.

2.8 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.

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

2. Accounting policies (continued)

2.9 LIABILITIES AND PROVISIONS

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.10 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 15. 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 amortised cost.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

2.11 OPERATING LEASES

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

2. Accounting policies (continued)

2.12 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.

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.13 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.

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

3. 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 23, 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 Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	2,283	12,539	14,822	13,345
Total 2018	1,589	11,756	13,345	

SHAW RIDGE PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

5. Funding for the Academy's education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	1,405,116	1,405,116	1,414,464
Other DfE/EFSA grants	-	209,728	209,728	178,404
	-	1,614,844	1,614,844	1,592,868
Other Government grants				
High Needs	-	46,930	46,930	56,219
	-	46,930	46,930	56,219
Other funding				
Internal catering income	23,427	-	23,427	24,912
Sales to students	1,639	-	1,639	9,745
Other	14,105	-	14,105	11,320
	39,171	-	39,171	45,977
	39,171	1,661,774	1,700,945	1,695,064
Total 2018	45,977	1,649,087	1,695,064	

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	34,823	34,823	27,378
Reimbursement from other schools	4,669	4,669	5,616
	39,492	39,492	32,994

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7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank Interest	137	137	173
	<u>137</u>	<u>137</u>	<u>173</u>

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	1,331,179	98,054	72,023	1,501,256	1,505,855
Allocated support costs	198,823	41,128	253,566	493,517	488,820
	<u>1,530,002</u>	<u>139,182</u>	<u>325,589</u>	<u>1,994,773</u>	<u>1,994,675</u>
Total 2018	<u>1,510,155</u>	<u>137,890</u>	<u>346,630</u>	<u>1,994,675</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	1,501,256	493,517	1,994,773	1,994,675
	<u>1,501,256</u>	<u>493,517</u>	<u>1,994,773</u>	<u>1,994,675</u>
Total 2018	<u>1,505,855</u>	<u>488,820</u>	<u>1,994,675</u>	

Analysis of direct costs

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2019 £	Total funds 2018 £
Pension income	6,000	7,000
Staff costs	1,331,179	1,314,029
Depreciation	98,054	98,419
Educational supplies	25,446	47,027
Other costs	27,460	32,787
Supply teachers	10,648	3,849
Technology costs	2,469	2,744
	<u>1,501,256</u>	<u>1,505,855</u>

Analysis of support costs

	Education 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	198,823	198,823	196,126
Staff development	8,056	8,056	10,703
Other costs	3	3	-
Recruitment and support	2,360	2,360	2,910
Maintenance of premises and equipment	17,754	17,754	14,731
Cleaning	38,876	38,876	24,740
Rent and rates	14,891	14,891	16,257
Energy costs	28,389	28,389	26,707
Insurance	11,791	11,791	11,403
Security and transport	-	-	274
Catering	84,314	84,314	84,127
Technology costs	12,043	12,043	14,849
Office overheads	18,462	18,462	23,002
Legal and professional	53,400	53,400	57,863
Bank interest and charges	32	32	32
Governance	4,323	4,323	5,096
	<u>493,517</u>	<u>493,517</u>	<u>488,820</u>

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10. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	7,812	7,812
Depreciation of tangible fixed assets	98,054	98,419
Fees paid to auditors for:		
- audit	5,050	4,750
- other services	1,750	1,750
	<u> </u>	<u> </u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,158,893	1,148,122
Social security costs	87,082	87,441
Pension costs	273,379	270,743
	<u> </u>	<u> </u>
	1,519,354	1,506,306
Agency staff costs	10,648	3,849
	<u> </u>	<u> </u>
	<u>1,530,002</u>	<u>1,510,155</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	21	21
Educational Support	34	34
Administration and Clerical	7	6
Management	2	2
	<u> </u>	<u> </u>
	<u>64</u>	<u>63</u>

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

11. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	17	17
Educational Support	21	21
Administration and Clerical	5	4
Management	2	2
	<u>45</u>	<u>44</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 £70,001 - £80,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £312,391 (2018:£393,363).

12. 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 other 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: S Cowell: Remuneration £70,000 - £75,000 (2018: £70,000 - £75,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000), B Dudman: Remuneration £5,000 - £10,000 (2018: £5,000 - £10,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000), S Carter: Remuneration £30,000 - £35,000 (2017: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000).

During the year, retirement benefits were accruing to 3 Trustees (2018 - 3) in respect of defined contribution pension schemes.

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

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13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5000000 on any one claim and the cost for the year ended 31 August 2019 was £250 (2018 - £250). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	4,020,473	45,268	69,339	4,135,080
Additions	-	1,755	7,995	9,750
At 31 August 2019	<u>4,020,473</u>	<u>47,023</u>	<u>77,334</u>	<u>4,144,830</u>
Depreciation				
At 1 September 2018	382,923	19,935	51,858	454,716
Charge for the year	79,248	8,887	9,919	98,054
At 31 August 2019	<u>462,171</u>	<u>28,822</u>	<u>61,777</u>	<u>552,770</u>
Net book value				
At 31 August 2019	<u><u>3,558,302</u></u>	<u><u>18,201</u></u>	<u><u>15,557</u></u>	<u><u>3,592,060</u></u>
At 31 August 2018	<u><u>3,637,550</u></u>	<u><u>25,333</u></u>	<u><u>17,481</u></u>	<u><u>3,680,364</u></u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	2,676	2,115
Other debtors	14,706	6,771
Prepayments and accrued income	51,099	44,634
	<u><u>68,481</u></u>	<u><u>53,520</u></u>

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,237	10,966
Other taxation and social security	21,788	21,909
Other creditors	24,969	24,751
Accruals and deferred income	73,238	80,948
	<u>121,232</u>	<u>138,574</u>
	2019 £	2018 £
Deferred income at 1 September 2018	55,852	46,223
Resources deferred during the year	48,582	55,852
Amounts released from previous periods	(55,852)	(46,223)
	<u>48,582</u>	<u>55,852</u>

Deferred income of £48,582 at 31 August 2019 relates to funding received for Universal Infant Free School Meals and rates and donations for school trips to take place in the 2019/20 academic year.

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	141,089	252,465
Financial assets that are debt instruments measured at amortised cost	27,903	20,220
	<u>168,992</u>	<u>272,685</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	49,819	36,062

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise accrued income and trade debtors.

Financial liabilities measured at amortised cost comprise accruals and trade creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	167,411	81,083	(174,598)	-	-	73,896
Restricted general funds						
General Annual Grant (GAG)	-	1,405,116	(1,405,116)	-	-	-
Universal Infant Free School Meals Income	-	69,492	(69,492)	-	-	-
Pupil Premium	-	84,037	(84,037)	-	-	-
High needs income	-	46,930	(46,930)	-	-	-
Donations	-	12,539	(12,539)	-	-	-
Other DfE/ESFA grants	-	32,007	(32,007)	-	-	-
Devolved formula capital	-	24,192	-	(9,750)	-	14,442
Pension reserve	(184,000)	-	(72,000)	-	(203,000)	(459,000)
	<u>(184,000)</u>	<u>1,674,313</u>	<u>(1,722,121)</u>	<u>(9,750)</u>	<u>(203,000)</u>	<u>(444,558)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	3,634,111	-	(79,248)	-	-	3,554,863
Fixed assets purchased from GAG and other restricted funds	46,253	-	(18,806)	9,750	-	37,197
	<u>3,680,364</u>	<u>-</u>	<u>(98,054)</u>	<u>9,750</u>	<u>-</u>	<u>3,592,060</u>
Total Restricted funds	<u>3,496,364</u>	<u>1,674,313</u>	<u>(1,820,175)</u>	<u>-</u>	<u>(203,000)</u>	<u>3,147,502</u>
Total funds	<u><u>3,663,775</u></u>	<u><u>1,755,396</u></u>	<u><u>(1,994,773)</u></u>	<u><u>-</u></u>	<u><u>(203,000)</u></u>	<u><u>3,221,398</u></u>

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

18. Statement of funds (continued)

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Universal Infant Free School Meals (UIFSM) - Funding from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other DfE/ESFA grants - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-ages pupils, so that they develop healthy lifestyles

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Donations (school trips) - Contributions towards school trips.

Local Authority - Includes High Needs funding to fund further support for pupils with additional needs and additional Pupil Premium funding received from the Local Authority.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy from the Local Authority.

Fixed assets purchased from restricted funds represents amounts spent on fixed assets from GAG and DFC received from the ESFA and other restricted donations.

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

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18. 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 Funds	230,913	80,733	(144,235)	-	-	167,411
Restricted general funds						
General Annual Grant (GAG)	22,580	1,414,464	(1,434,075)	(2,969)	-	-
Universal Infant Free School Meals Income	-	67,080	(67,080)	-	-	-
Pupil Premium	-	83,511	(83,511)	-	-	-
High needs income	-	56,219	(56,219)	-	-	-
Donations	-	11,756	(11,756)	-	-	-
Other DfE/ESFA grants	-	19,380	(19,380)	-	-	-
Devolved formula capital	-	8,433	-	(8,433)	-	-
Pension reserve	(243,000)	-	(80,000)	-	139,000	(184,000)
	<u>(220,420)</u>	<u>1,660,843</u>	<u>(1,752,021)</u>	<u>(11,402)</u>	<u>139,000</u>	<u>(184,000)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	3,713,904	-	(79,793)	-	-	3,634,111
Fixed assets purchased from GAG and other restricted funds	53,477	-	(18,626)	11,402	-	46,253
	<u>3,767,381</u>	<u>-</u>	<u>(98,419)</u>	<u>11,402</u>	<u>-</u>	<u>3,680,364</u>
Total Restricted funds	<u>3,546,961</u>	<u>1,660,843</u>	<u>(1,850,440)</u>	<u>-</u>	<u>139,000</u>	<u>3,496,364</u>

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18. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Total funds	<u>3,777,874</u>	<u>1,741,576</u>	<u>(1,994,675)</u>	<u>-</u>	<u>139,000</u>	<u>3,663,775</u>

19. 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	-	-	3,592,060	3,592,060
Current assets	73,896	135,674	-	209,570
Creditors due within one year	-	(121,232)	-	(121,232)
Pension Scheme Liability	-	(459,000)	-	(459,000)
Total	<u>73,896</u>	<u>(444,558)</u>	<u>3,592,060</u>	<u>3,221,398</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	-	-	3,680,364	3,680,364
Current assets	167,411	138,574	-	305,985
Creditors due within one year	-	(138,574)	-	(138,574)
Pension Scheme Liability	-	(184,000)	-	(184,000)
Total	<u>167,411</u>	<u>(184,000)</u>	<u>3,680,364</u>	<u>3,663,775</u>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(239,377)	(253,099)
Adjustments for:		
Depreciation	98,054	98,419
Interest receivable	(137)	(173)
Defined benefit pension scheme cost less contributions payable	66,000	73,000
Defined benefit pension scheme finance cost	6,000	7,000
(Increase)/decrease in debtors	(14,961)	12,349
Decrease in creditors	(17,342)	(4,979)
Net cash used in operating activities	(101,763)	(67,483)

21. Cash flows from investing activities

	2019 £	2018 £
Interest Received	137	173
Purchase of tangible fixed assets	(9,750)	(11,402)
Net cash used in investing activities	(9,613)	(11,229)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	141,089	252,465
Total cash and cash equivalents	141,089	252,465

23. Pension commitments

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

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

Contributions amounting to £24,680 were payable to the schemes at 31 August 2019 (2018 - £24,453) and are included within creditors.

23. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £102,662 (2018 - £106,992).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £117,000 (2018 - £94,000), of which employer's contributions totalled £94,000 (2018 - £83,000) and employees' contributions totalled £ 23,000 (2018 - £21,000). The agreed contribution rates for future years are 21.9 per cent for employers and 5.5 - 6.8 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	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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	21.4	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.1	26.7

Sensitivity analysis

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	780,000	653,000
Debt instruments	154,000	129,000
Property	143,000	119,000
Cash and other liquid assets	22,000	18,000
Total market value of assets	1,099,000	919,000

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23. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(154,000)	(156,000)
Past service cost	(6,000)	-
Interest income	27,000	20,000
Interest cost	(33,000)	(27,000)
Total amount recognised in the Statement of Financial Activities	(166,000)	(163,000)

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

	2019 £	2018 £
At 1 September	1,103,000	994,000
Current service cost	154,000	156,000
Interest cost	33,000	27,000
Employee contributions	23,000	21,000
Actuarial losses/(gains)	244,000	(86,000)
Benefits paid	(5,000)	(9,000)
Past service costs	6,000	-
At 31 August	1,558,000	1,103,000

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

	2019 £	2018 £
At 1 September	919,000	751,000
Interest income	27,000	20,000
Actuarial gains	41,000	53,000
Employer contributions	94,000	83,000
Employee contributions	23,000	21,000
Benefits paid	(5,000)	(9,000)
At 31 August	1,099,000	919,000

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

24. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	14,764	14,764
Later than 1 year and not later than 5 years	7,382	22,146
	<u>22,146</u>	<u>36,910</u>

25. 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.

26. Related party transactions

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

During the year purchases of items of school uniform totalling £342 (2018: £608) were made from Your Logo Limited, a company of whom Philip Harland, a Trustee, is a director.

The Academy is a member of the Link Academies Collaborative Trust with Peatmoor Community Primary School, Westlea Primary School and Millbrook Primary School. Income and expenditure with these schools in the year were as follows:

	Expenditure £			
	Shaw Ridge	Millbrook	Westlea	Peatmoor
Income £				
Shaw Ridge	X	1,050	0	0
Millbrook	4,238	X	3,819	5,869
Westlea	0	3,799	X	5
Peatmoor	0	0	0	X

27. Controlling party

The Company is under joint control of the Trustees and therefore there is no ultimate controlling party.

