

**REGISTERED COMPANY NUMBER: 08171068 (England and Wales)**

**REPORT OF THE GOVERNORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 AUGUST 2018  
FOR**

**LYMM HIGH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

McLintocks Limited  
Statutory Auditor  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

**LYMM HIGH SCHOOL**

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for the Year Ended 31 August 2018**

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**LYMM HIGH SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**MEMBERS**

Mrs S E Woodyatt (died 14<sup>th</sup> January 18)  
Ms R Knowles  
Dr K Walshe

**GOVERNORS**

Mrs R I Ball  
Mr S French  
Mrs J Graham  
Mrs R Knowles  
Dr K Walshe  
Mrs S E Woodyatt (died 14<sup>th</sup> January 2018)  
Mrs N Woodyatt  
Dr C J McLean  
M A Gare  
Mrs E A Green  
G R Williams  
Cllr K J Buckley  
Mr L Davies  
Mr I Kirsten  
Mrs E Hutchison  
Mr D W Hester  
Fr M Burgess (resigned 6<sup>th</sup> December 2017)  
Rev B Jameson (appointed 7<sup>th</sup> February 2018)  
Mrs V Proctor (appointed 7<sup>th</sup> February 2018)  
Mrs L Thomason (appointed 7<sup>th</sup> February 2018)  
Mrs Y Poskitt (appointed 21<sup>st</sup> March 2018)  
Mr R Spencer (appointed 21<sup>st</sup> March 2018)

**COMPANY SECRETARY**

Mr A F O'Reilly (resigned 31<sup>st</sup> August 2018)  
Mrs H Headon (appointed 1<sup>st</sup> September 2018)

**SENIOR LEADERSHIP TEAM**

G Williams - Headteacher  
E Mills – Deputy Headteacher  
H Ryles-Dean  
R Johnson  
N Dixon  
R Wardle (resigned 20<sup>th</sup> Dec 2017)  
H Jennings  
J Brennan (appointed 4<sup>th</sup> June 2018)  
C McGahey  
R Ball

**REGISTERED OFFICE**

Oughtrington Lane  
Lymm  
Cheshire  
WA13 0RB

**LYMM HIGH SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**REGISTERED COMPANY  
NUMBER**

08171068 (England and Wales)

**AUDITORS**

McLintocks Limited  
Statutory Auditor  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

**SOLICITORS**

Browne Jacobson LLP  
Victoria Square House  
Birmingham  
B2 4BU

**BANKERS**

Lloyds Bank plc  
Horsemarket Street  
Warrington  
WA1 1TP



## **LYMM HIGH SCHOOL**

### **REPORT OF THE GOVERNORS for the Year Ended 31 August 2018**

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The governors who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the academy for the year ended 31 August 2018. The governors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

#### **OBJECTIVES AND ACTIVITIES**

##### **Strategies and Activities**

In 2012, the governing body, staff, parents and students worked together to create the Lymm High School charter, which sets out the enduring aims and principles which guide the school now and in the future. The Charter states that "Lymm High School exists to enable its students to enjoy learning, achieve their full potential and be successful. Through outstanding teaching and learning provision, we help them to become independent lifelong learners, confident and capable individuals, and socially responsible citizens and members of the community". It also outlines the school's commitment to comprehensive education, the importance of our relationship with nine partner primary schools, the value we place on our staff, the requirement for robust governance arrangements together with diligent stewardship of public funding and other resources.

The school's main strategy is to develop and maintain a culture of excellence across our organisation that provides opportunities for all children and students in our school. Lymm High School is an organisation that provides opportunities for staff and students alike but always embraces the local community so as to ensure that the school is at the centre. We aim for our communities to be proud of their local school.

As we continue to grow we are determined to remain an organisation of 'first choice'. We believe that it is important that children are able to attend a 'Good' or 'Outstanding' local school. The school's approach to this strategy includes:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications
- Training and development opportunities for all staff
- A programme of after school activities for all students
- A career advisory service to help students obtain employment or move on to higher education
- A wide range of enrichment opportunities
- High quality professional learning opportunities for all school employees
- A process of continual monitoring and review of teaching and learning together with rigorous data analysis of individual pupil achievement.

##### **Public benefit**

The school's purpose is to advance, for public benefit, education as described in principal activities above. The governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

## LYMM HIGH SCHOOL

### REPORT OF THE GOVERNORS for the Year Ended 31 August 2018

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#### STRATEGIC REPORT

##### Achievement and performance

Results in public examinations were as strong as ever this year.

At GCSE, the headline figures were:

- 81% of students met the basics measure at grades 9-4 (well above the national average of 64%)
- 61% met the basic measure at grade 9-5 well above the national average of 42%
- A Progress 8 score of 0.25 above the national average of 0
- Ebacc score of 36% well above national average of 22%

At the same time, recent improvements in the performance of disadvantaged students (a key school priority) were consolidated and the performance of boys at the key benchmarks (another key priority) also improved considerably.

At A level, headline figures were:

- 25% of grades at A\*-A
- 57% A\*-B
- 84% A\*-C
- Progress score of 0.21

The significant improvement in outcomes over the past three years have been the result of a robust strategy to raise achievement. This has included stronger accountability systems, a re-structured senior and middle leadership team and a 'supportive review' process for those subjects that were under-performing. It is anticipated that results will continue to rise this year.

##### Key financial 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) requires special attention. It is the Academy's management policy that in general terms the income received in any one year is spent for the benefit of those children in the school that year.

##### Going concern

After making appropriate enquiries, the governors have 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 Accounting Policies.

##### Financial review

Most of the Academy income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the period ended 31st August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received capital grants from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.



**REPORT OF THE GOVERNORS**  
**for the Year Ended 31 August 2018**

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**STRATEGIC REPORT**

**Financial review**

During the period ended 31st August 2018 total income amounted to £11,569,000 (2017 £10,039,000) and after deducting expenditure of £11,150,000 (2017 £10,311,000) there was a surplus for the year of £419,000 (2017 deficit £272,000). Total reserves carried forward amounted to £26,683,000. This is in line with the trust's strategy to build and maintain adequate reserves to continue to fund ambitious plans of future improvements and development of the organisation and its infrastructure.

Unrestricted net income in the year ended 31st August 2018 amounted to £105,000 (2017 £148,000). At 31st August 2018 the net book value of fixed assets amounted to £27,498,000 (2017 £27,287,000) and movements in fixed assets are shown in note 13 to the financial statements. The cost of fixed asset additions in the period ended 31st August 2018 amounted to £787,000.

**Reserves policy**

The governors have determined that the majority of funds received from the Department for Education should be used for the annual running costs of the School. Within this framework, School will carry forward a prudent level of resources designed to:

- Ensure necessary working capital to cover any delays between spending and receipt of grants.
- Cover possible unforeseen contingencies.
- Provide a buffer given uncertain, inadequate and probably worsening levels of funding.

The School has defined the reserves policy to ensure that sufficient funds are accumulated to enable school buildings are maintained and equipment and ICT assets renewed when required in the foreseeable future as well as ensuring that there are additional funds for school improvement activity and a general reserve to cover any cash flow requirements.

At the year-end unrestricted general reserves were £84,000 and restricted general reserves were £645,000 before pension liability. These were 93% backed by cash.

The accounts show a provision for the School's net liability associated with the Local Government Pension Scheme (the pension scheme for non-teaching staff). This net liability is not an immediate liability. Every three years the actuaries of the administering authority perform a full funding valuation to determine employers' pension contributions necessary to close any funding shortfall.

**Principal risks and uncertainties**

The principal risks to the school are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the school, falling student numbers and failure to safeguard students. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Academy,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by safeguarding legislation

registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the governors by internal audit and external auditors.

The security of data is managed by the Academy through a contract with an external IT provider.

Remaining risks are mitigated to a large extent via comprehensive insurance policies.

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**REPORT OF THE GOVERNORS  
for the Year Ended 31 August 2018**

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**STRATEGIC REPORT**

**Financial and risk management objectives and policies**

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for the Academy and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the finance and audit committee and via regular (termly) meetings of the finance committee.

Bank and cash reconciliations are carried out routinely and signed by the chief finance officer. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset

**Fundraising**

The School benefits from its fundraising activities as well as those of the Lymm High School PTA. It does not engage professional fundraisers or commercial participators.

Given the nature of the School's fundraising, it does not subscribe to any fundraising regulation schemes or standards. Instead, it applies the principles of regularity and probity to any activities.

The School has not received any complaints about its own fundraising activity or those of any agent. The School does not undertake intrusive or persistent fundraising.

**Future plans**

The overall performance in this reporting period was satisfactory and as a consequence will directly reinforce the School's medium to long-term strategy. The School's main annual objectives for the next year are:

- To build on the 'Good' Ofsted judgement
- To strive for continuous improvement in examinations results and all indicators of performance in the School.
- To continue to develop school facilities
- To build adequate financial reserves to fund building and other investment needs

Excellent standards of behaviour will be maintained to create a well-ordered community with learning and the support of students at the heart. The school's aim is to maintain or increase pupil numbers. Transitional arrangements for pupils entering the school will be well planned and structured, providing support for pupils at this important stage of their education. The curriculum will be broad, balanced and relevant in all key stages from KS3 to KS5 allowing all students to achieve success.

Teaching and learning will have pace, purpose, variety and rigour. Students will be able to progress as a result of personalised programmes of study and the provision of an on-line curriculum. All students will be confident users of ICT. Students will be aware of their own strengths and weaknesses and, through assessment for learning, know what they need to do to improve.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academy will be in the "high performing" category. The strategic development of the Academy will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main board of governors.

## LYMM HIGH SCHOOL

### REPORT OF THE GOVERNORS for the Year Ended 31 August 2018

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#### TRADE UNION FACILITIES TIME

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the school to publish information on facility time arrangements for trade union officials at the school.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1.0

Percentage of working hours spent on facility time	Number of employees
0%	0
1-50%	1
51%-99%	0
100%	0

Total cost of facility time	£19,244
Total pay bill	£7,052,858
The percentage of the total pay bill spent on facility time	0.27%

Please note: the cost of facility time is reimbursed by the local authority as the staff member is a regional official.

Time spent on paid trade union activities as a percentage of total paid facility time hours	18.46%
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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Constitution

Lymm High School 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 governors of Lymm High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lymm High School.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

Professional indemnity insurance is in place to protect governors and officers from claims arising from negligent acts, errors or omissions occurring on academy business.



**REPORT OF THE GOVERNORS  
for the Year Ended 31 August 2018**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Method of recruitment and appointment or election of governors**

On 1 September 2012 the governors appointed all those governors that served the predecessor school and who wished to continue, to be governors of the newly formed Academy. The governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- Up to 1 Governor who is appointed by the Members
- 7 Parent Governors
- Up to 3 Staff Governors
- Up to 5 Foundation Governors
- Up to 4 Community Governors
- The Headteacher who is treated for all purposes as being ex officio Governor

Governors 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 governor, any governor can be re-appointed or re-elected.

**Organisational structure**

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of financial management information, making strategic decisions about the direction of the Academy and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The Headteacher is the accounting officer.

The Senior Leadership Team consists of the Headteacher, Deputy Headteacher, five Assistant Headteachers and two Associate Headteachers. These managers control the school at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the management team always contain a governor. Some spending control is devolved to members of the management team with limits above which a senior manager must countersign.

**Policies and procedures adopted for the induction and training of governors**

The Academy has an established Governor Recruitment, Induction and Training process, and one Governor takes lead responsibility for Governor training and development. The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and an opportunity to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally very few new Governors appointed in 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.

**Key management remuneration**

The Governing Body annually review and adopt the Academy Pay Policy which details the process which needs to be followed in determining the remuneration of key personnel. In line with the Leadership Pay Policy, key personnel i.e. the Headteacher and Deputy Head annual salary are determined by the Remuneration Committee (which consists of Governors appointed by the Board). The Committee meets annually to assess whether the outcomes of individuals appraisals meet the criteria for pay progression.

## LYMM HIGH SCHOOL

### REPORT OF THE GOVERNORS for the Year Ended 31 August 2018

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#### Connected organisations including related party relationships

Lymm High School Leisure Centre (a Limited by Guarantee Company) manages the leisure facilities owned by the academy. There is a shared use agreement between the leisure centre and the academy. The academy has an active parent teacher association which actively supports the academy. There are no related parties which either control or significantly influence the decisions and operations of the academy. There are no sponsors.

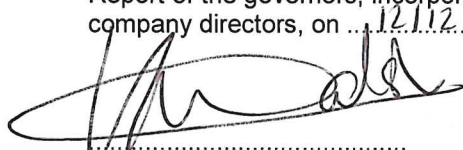
#### AUDITORS

In so far as the governors are aware:

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

The auditors, McLintocks Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 12/12/18 and signed on the board's behalf by:



Dr K Walshe - Chair of governing board

## LYMM HIGH SCHOOL

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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#### Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that Lymm High 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 governors 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 Lymm High School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the period ending 31st August 2018. Attendance during the year at meetings of the board of governorss was as follows:

Governor		Meetings Attended	Out of a possible
Mrs R Ball	Staff	4	5
Cllr K Buckley	Foundation	5	5
Father M Burgess*	Foundation	1	2
Mr L Davies	Community	5	5
Mr S French	Community	3	5
Mr A Gare	Community	2	5
Mrs J Graham	Parent	5	5
Mrs E Green	Foundation	5	5
Mr D Hester*	Parent	3	5
Mrs E Hutchinson	Parent	5	5
Rev B Jameson*	Foundation	3	3
Mr I Kirsten	Parent	5	5
Ms R Knowles	Foundation	5	5
Dr C McLean	Community	5	5
Mrs Y Poskitt*	Staff	2	2
Mrs V Proctor*	Parent	3	3
Mr R Spencer*	Staff	2	2
Mrs L Thomason*	Parent	3	3
Dr K Walshe	Academy Trust appointed	4	5
Mr G Williams	Principal	5	5
Mrs N Woodyatt	Parent	5	5
Cllr S Woodyatt*	Foundation	0	2



## LYMM HIGH SCHOOL

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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The finance and audit committee is a sub-committee of the main board of governors. Its purpose is to report to the full board of governors on a timely basis the finances of the trust. Attendance at meetings in the year ended 31st August 2018 was as follows:

Governor	Meetings attended	Out of a possible
Mr S French	4	5
Mr A Gare (Chair)	4	5
Mrs L Green	5	5
Mr D Hester	2	5
Mrs E Hutchinson	5	5
Mr I Kirsten	4	5
Dr C McLean	5	5
Mr R Spencer*	2	2
Dr K Walshe	5	5
Mr G Williams	5	5

\* Indicates those who were members of the governing body for part of the year only.

#### Review of Value for Money

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

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

The accounting officer for the academy trust has delivered improved value for money during the year with the School:

- Tendering grounds maintenance.
- Reducing insurance premiums.
- Making savings in the procurement of reprographics and paper.

#### 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 Lymm High School for the period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

## LYMM HIGH SCHOOL

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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#### 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 governors;
- regular reviews by the finance 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 governors have appointed Beevers & Struthers, Chartered Accountants, as internal auditors. Their role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current year included:

- Finance
- HR and performance management
- Fraud and ICT

Internal audit has not reported any material weakness in the school's financial operations.

#### 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:

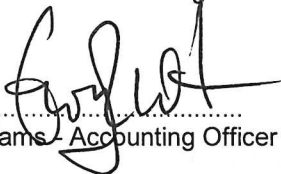
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management process;

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

Approved by order of the members of the board of governors on 12/12/18 and signed on its behalf, by:



.....  
Dr K Walshe – Chair of governing body



.....  
G Williams – Accounting Officer

**LYMM HIGH SCHOOL**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
for the Year Ended 31 August 2018**

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As accounting officer of Lymm High School I have considered my responsibility to notify the academy board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy board of governors 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 2016.

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

  
.....  
G Williams - Accounting Officer

Date: 12/12/18 .....



## LYMM HIGH SCHOOL

### STATEMENT OF GOVERNORS RESPONSIBILITIES for the Year Ended 31 August 2018

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The trustees (who act as governors of Lymm High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The governors 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 board of governors on 12/12/18 and signed on its behalf by:

  
.....  
Dr K Walshe - Chair of governing body

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LYMM HIGH SCHOOL**

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### **Opinion**

We have audited the financial statements of Lymm High School (the 'academy') and its subsidiary for the year ended 31 August 2018 on pages seventeen to thirty seven. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

### **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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

Our opinion on the financial statements does not cover the other information and 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, 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 underneath in the course of the audit:

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



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LYMM HIGH SCHOOL

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### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of governors**

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

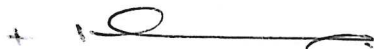
In preparing the financial statements, the governors are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy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

### **Our responsibilities for the audit of the financial statements**

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

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

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 the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Furlong FCCA (Senior Statutory Auditor)  
for and on behalf of McLintocks Limited  
Statutory Auditor  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

Date: 12.12.13

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LYMM HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

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

### **Respective responsibilities of Lymm High School's accounting officer and the reporting accountant**

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

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*McLintocks Ltd*

McLintocks Limited  
46 Hamilton Square  
Birkenhead  
Merseyside  
CH41 5AR

Date: *12.12.18*

LYMM HIGH SCHOOL

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the Year Ended 31 August 2018**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed Assets £'000	2018 Total funds £'000	2017 Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	8	39	901	948	338
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	8,659	-	8,659	8,392
Other trading activities	4	1,853	86	-	1,940	1,286
Other income		-	23	-	23	23
<b>Total</b>		<b>1,861</b>	<b>8,807</b>	<b>901</b>	<b>11,569</b>	<b>10,039</b>
<b>EXPENDITURE ON</b>						
Raising funds	6	748	-	-	748	116
<b>Charitable activities</b>						
Academy's educational operations		<u>1,008</u>	<u>8,843</u>	<u>551</u>	<u>10,402</u>	<u>10,195</u>
<b>Total</b>	5	<b>1,756</b>	<b>8,843</b>	<b>551</b>	<b>11,150</b>	<b>10,311</b>
<b>NET INCOME/(EXPENDITURE)</b>						
		105	(36)	350	419	(272)
Transfers between funds	19	-	<u>31</u>	<u>(31)</u>	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		-	<u>744</u>	-	<u>744</u>	<u>296</u>
<b>Net movement in funds</b>		<b>105</b>	<b>739</b>	<b>319</b>	<b>1,163</b>	<b>24</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		(21)	(1,794)	27,335	25,520	25,496
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>84</u></b>	<b><u>(1,055)</u></b>	<b><u>27,654</u></b>	<b><u>26,683</u></b>	<b><u>25,520</u></b>
<b>CONTINUING OPERATIONS</b>						
All income and expenditure has arisen from continuing activities.						
The notes form part of these financial statements						



LYMM HIGH SCHOOL

**CONSOLIDATED BALANCE SHEET**  
At 31 August 2018

		Unrestricted fund £'000	Restricted funds £'000	Fixed Assets £'000	2018 Total funds £'000	2017 Total funds £'000
	Notes					
<b>FIXED ASSETS</b>						
Tangible assets	13	-	102	27,396	27,498	27,287
<b>CURRENT ASSETS</b>						
Stocks	14	61	-	-	61	53
Debtors	15	2	100	16	118	100
Cash at bank and in hand		<u>83</u>	<u>596</u>	<u>540</u>	<u>1,219</u>	<u>573</u>
		146	696	556	1,398	726
<b>CREDITORS</b>						
Amounts falling due within one year	16	(62)	(153)	(45)	(260)	(171)
<b>NET CURRENT ASSETS</b>		<u>84</u>	<u>543</u>	<u>511</u>	<u>1,138</u>	<u>555</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		84	645	27,907	28,636	27,842
<b>CREDITORS</b>						
Amounts falling due after more than one year	17	-	-	(253)	(253)	(240)
<b>PENSION LIABILITY</b>	23	-	(1,700)	-	(1,700)	(2,082)
<b>NET ASSETS</b>		<u>84</u>	<u>(1,055)</u>	<u>27,654</u>	<u>26,683</u>	<u>25,520</u>
<b>FUNDS</b>	22					
Unrestricted funds:						
General fund					74	(21)
Designated funds					10	-
Restricted funds:						
Fixed Assets					27,654	27,335
General funds					645	288
Pension reserve					<u>(1,700)</u>	<u>(2,082)</u>
					<u>26,599</u>	<u>25,541</u>
<b>TOTAL FUNDS</b>					<u>26,683</u>	<u>25,520</u>

The notes form part of these financial statements

LYMM HIGH SCHOOL

CONSOLIDATED BALANCE SHEET - CONTINUED  
At 31 August 2018

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The financial statements were approved by the Board of Governors on .....12/12/18..... and were signed on its behalf by:



.....  
Dr K Walshe - Chair of governing body

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The notes form part of these financial statements

LYMM HIGH SCHOOL

**CHARITABLE COMPANY BALANCE SHEET**  
At 31 August 2018

		Unrestricted fund £'000	Restricted funds £'000	Fixed Assets £'000	2018 Total funds £'000	2017 Total funds £'000
	Notes					
<b>FIXED ASSETS</b>						
Tangible assets	13	-	102	27,396	27,498	27,287
<b>CURRENT ASSETS</b>						
Stocks	14	61	-	-	61	53
Debtors	15	22	100	16	138	162
Cash at bank and in hand		<u>63</u>	<u>596</u>	<u>540</u>	<u>1,199</u>	<u>511</u>
		146	696	556	1,398	726
<b>CREDITORS</b>						
Amounts falling due within one year	16	(62)	(153)	(45)	(260)	(171)
<b>NET CURRENT ASSETS</b>		<u>84</u>	<u>543</u>	<u>511</u>	<u>1,138</u>	<u>555</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		84	645	27,907	28,636	27,842
<b>CREDITORS</b>						
Amounts falling due after more than one year	17	-	-	(253)	(253)	(240)
<b>PENSION LIABILITY</b>	23	-	(1,700)	-	(1,700)	(2,082)
<b>NET ASSETS</b>		<u>84</u>	<u>(1,055)</u>	<u>27,654</u>	<u>26,683</u>	<u>25,520</u>
<b>FUNDS</b>	22					
Unrestricted funds:						
General fund					74	(21)
Designated funds					10	-
Restricted funds:						
Fixed Assets					27,654	27,335
General funds					645	288
Pension reserve					<u>(1,700)</u>	<u>(2,082)</u>
					<u>26,599</u>	<u>25,541</u>
<b>TOTAL FUNDS</b>					<u>26,683</u>	<u>25,520</u>

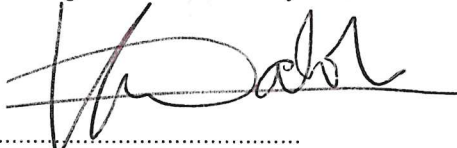
The notes form part of these financial statements

LYMM HIGH SCHOOL

**CHARITABLE COMPANY BALANCE SHEET - CONTINUED**  
**At 31 August 2018**

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The financial statements were approved by the Board of Governors on 12/12/18 and  
were signed on its behalf by:



.....  
Dr K Walshe - Chair of governing body

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The notes form part of these financial statements

LYMM HIGH SCHOOL

**CONSOLIDATED CASH FLOW STATEMENT**  
for the Year Ended 31 August 2018

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>556</u>	<u>(35)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>556</u>	<u>(35)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(787)	(658)
Capital grants from DfE/ESFA		<u>859</u>	<u>267</u>
<b>Net cash provided by (used in) investing activities</b>		<u>72</u>	<u>(391)</u>
<b>Cash flows from financing activities:</b>			
New loans in year		51	61
Loan repayments in year		<u>(33)</u>	<u>(26)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>18</u>	<u>35</u>
		<u>          </u>	<u>          </u>
<b>Change in cash and cash equivalents in the reporting period</b>		646	(391)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>573</u>	<u>964</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>1,219</u>	<u>573</u>

The notes form part of these financial statements

LYMM HIGH SCHOOL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the Year Ended 31 August 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	419	(272)
Adjustments for:		
Depreciation	577	492
Capital grants from DfE/ESFA	(859)	(267)
Increase in stocks	(8)	-
Increase in debtors	(17)	(2)
Increase/(decrease) in creditors	82	(262)
Difference between pension charge and cash contributions	<u>362</u>	<u>276</u>
Net cash provided by (used in) operating activities	<u>556</u>	<u>(35)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £'000	2017 £'000
Cash in hand	2	2
Notice deposits (less than 3 months)	<u>1,217</u>	<u>571</u>
Total cash and cash equivalents	<u>1,219</u>	<u>573</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Lymm High School meets the definition of a public benefit entity under FRS 102.

**Basis of consolidation**

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the companies Act 2006

**Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date the Academy had net assets of £26,683,000 after providing for long term pension scheme commitments of £1,700,000 in respect of the support staff defined benefit pension scheme and net current assets of £1,138,000.

The Governors have reviewed and approved budgets and cash flow forecasts for 2018/19 and future years, and consider in the light of this review that it is appropriate to prepare financial statements on a going concern basis.

**Income**

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES - continued**

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

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

**Other income**

Other income including the hire of facilities, school shop income, school trip income and income generated from the leisure centre is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

**Donated goods, facilities and services**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Raising funds**

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

**Charitable activities**

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

**Governance costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Buildings	2% p.a. straight line
Building improvements	10% p.a. straight line
Fixtures, fittings and equipment	20% p.a. reducing balance
Computer equipment	33.33% p.a. straight line

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

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

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The academy is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

Restricted funds can only be used for particular restricted purposes within the objects of the academy. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES - continued**

**Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Liabilities**

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

**Provisions**

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

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

**Concessionary Loans**

Concessionary loans are initially recognised as a liability at the amount received, with the carrying amount being adjusted in subsequent years to reflect repayments made.

**Leased assets**

Rentals under operating leases are charged on a straight line basis.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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. Net interest on the net defined liability/asset is also recognised in the Statement of Financial Activities and comprises the net 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 rate of return on the scheme assets is recognised in other recognised gains and losses.

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

**Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions**

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing 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 liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 pension liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.



**LYMM HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2018

**2. DONATIONS AND CAPITAL GRANTS**

	2018 £'000	2017 £'000
Donations	50	18
Grants	<u>898</u>	<u>320</u>
	<u>948</u>	<u>338</u>

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

	2018 £'000	2017 £'000
Capital grants	859	267
Other grants	<u>39</u>	<u>53</u>
	<u>898</u>	<u>320</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	8,592	8,592	8,374
<b>Other government grant</b>				
Special educational projects	<u>-</u>	<u>67</u>	<u>67</u>	<u>18</u>
	<u>-</u>	<u>8,659</u>	<u>8,659</u>	<u>8,392</u>

**4. OTHER TRADING ACTIVITIES**

	2018 £'000	2017 £'000
School trips & fundraising events	555	-
Charitable fundraising	69	-
Shop income	182	144
Hire of facilities	85	106
Catering income	631	637
Leisure Facilities	332	325
Other income	<u>86</u>	<u>74</u>
	<u>1,940</u>	<u>1,286</u>

From 1 September 2017 the transactions in relation to school trips and charitable fundraising have been accounted for within the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2018

**5. EXPENDITURE**

				2018	2017
	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Total £'000	Total £'000
<b>Raising funds</b>					
Costs incurred by trading for a fundraising purpose	-	-	748	748	116
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	5,974	-	549	6,523	6,364
Allocated support costs	<u>1,650</u>	<u>1,367</u>	<u>862</u>	<u>3,879</u>	<u>3,831</u>
	<u>7,624</u>	<u>1,367</u>	<u>2,159</u>	<u>11,150</u>	<u>10,311</u>

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

	2018 £'000	2017 £'000
Auditors' remuneration	11	10
Other non-audit services	-	1
Depreciation - owned assets	<u>576</u>	<u>492</u>

**6. RAISING FUNDS**

Costs incurred by trading for a fundraising purpose

	2018 £'000	2017 £'000
School trips	555	-
Charitable fundraising	59	
Purchases	<u>134</u>	<u>116</u>
	<u>748</u>	<u>116</u>

From 1 September 2017 the transactions in relation to school trips and charitable fundraising have been accounted for within the financial statements.

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

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Direct costs	3	6,520	6,523	6,364
Support costs	<u>1,005</u>	<u>2,874</u>	<u>3,879</u>	<u>3,831</u>
	<u>1,008</u>	<u>9,394</u>	<u>10,402</u>	<u>10,195</u>

**LYMM HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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

	2018 Total £'000	2017 Total £'000
<b>Analysis of support costs</b>		
Support staff costs	1,650	1,579
Depreciation	26	27
Technology costs	250	290
Premises costs	1,330	1,278
Other support costs	575	611
Governance costs	<u>48</u>	<u>46</u>
<b>Total support costs</b>	<u><b>3,879</b></u>	<u><b>3,831</b></u>

**8. GOVERNORS' AND OFFICERS' INSURANCE**

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

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

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2018

9. STAFF COSTS

	2018	2017
	£'000	£'000
Wages and salaries	5,725	5,552
Social security costs	466	484
Operating costs of defined benefit pension schemes	1,321	1,187
Apprenticeship levy	<u>13</u>	<u>5</u>
	7,525	7,228
Supply teacher costs	<u>100</u>	<u>162</u>
	<u>7,625</u>	<u>7,390</u>

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

	2018	2017
Teachers	99	106
Management	10	6
Administration and support	<u>93</u>	<u>90</u>
	<u>202</u>	<u>202</u>

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

	2018	2017
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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**10. GOVERNORS' REMUNERATION AND BENEFITS**

There were no governors' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

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

G Williams (Headteacher and governor)

Remuneration £100,000 - £105,000 (2017: £95,000 - £100,000)

Employers pension contributions paid £15,000 - £20,000 (2017: £15,000 - £20,000)

R Ball (staff governor)

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

Employers pension contributions paid £5,000 - £10,000 (2017: £5,000 - £10,000)

Y Poskitt (staff governor) from March 2018

Remuneration £15,000 - £20,000

Employers pension contributions paid £0 - £5,000

R Spencer (staff governor) from March 2018

Remuneration £15,000 - £20,000

Employers pension contributions paid £5,000 - £10,000

**Governors' expenses**

There were no governors expenses paid for the year ended 31 August 2018 (2017: £NIL).

**Key management personnel**

The key management personnel of the academy comprise the governors and the senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £617,748 (2017: 606,795)



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2018

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Fixed Assets £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	49	289	338
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	8,392	-	8,392
Other trading activities	1,213	73	-	1,286
Other income	<u>-</u>	<u>23</u>	<u>-</u>	<u>23</u>
<b>Total</b>	1,213	8,537	289	10,039
<b>EXPENDITURE ON</b>				
Raising funds	116	-	-	116
<b>Charitable activities</b>				
Academy's educational operations	<u>949</u>	<u>8,781</u>	<u>465</u>	<u>10,195</u>
<b>Total</b>	1,065	8,781	465	10,311
<b>NET INCOME/(EXPENDITURE)</b>	148	(244)	(176)	(272)
<b>Transfers between funds</b>	<u>-</u>	<u>(393)</u>	<u>393</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>296</u>	<u>-</u>	<u>296</u>
<b>Net movement in funds</b>	148	(341)	217	24
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>				
As previously reported	(169)	(1,453)	27,361	25,739
Prior year adjustment	<u>-</u>	<u>-</u>	<u>(243)</u>	<u>(243)</u>
<b>As Restated</b>	(169)	(1,453)	27,118	25,496
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>(21)</u>	<u>(1,794)</u>	<u>27,335</u>	<u>25,520</u>

## LYMM HIGH SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 August 2017

#### 12. LYMM HIGH SCHOOL LEISURE CENTRE

A summary of the results of the subsidiary is shown below

	2018 £'000	2017 £'000
Turnover	495	485
Management charges	(472)	(474)
Donation to Lymm High School	<u>(3)</u>	<u>(11)</u>
	<u>-</u>	<u>-</u>

#### Aggregate assets and liabilities

	2018 £'000	2017 £'000
Cash at bank	20	61
Amounts due to parent company	<u>(20)</u>	<u>(61)</u>
	<u>-</u>	<u>-</u>

#### 13. TANGIBLE FIXED ASSETS

Group and charitable company

	Long leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>				
At 1 September 2017	28,972	74	178	29,224
Additions	<u>702</u>	<u>30</u>	<u>55</u>	<u>787</u>
At 31 August 2018	<u>29,674</u>	<u>104</u>	<u>233</u>	<u>30,011</u>
<b>DEPRECIATION</b>				
At 1 September 2017	1,728	35	174	1,937
Charge for year	<u>550</u>	<u>8</u>	<u>18</u>	<u>576</u>
At 31 August 2018	<u>2,278</u>	<u>43</u>	<u>192</u>	<u>2,513</u>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<u>27,396</u>	<u>61</u>	<u>41</u>	<u>27,498</u>
At 31 August 2017	<u>27,244</u>	<u>39</u>	<u>4</u>	<u>27,287</u>

#### 14. STOCKS

Group and charitable company

	2018 £'000	2017 £'000
Stocks	<u>61</u>	<u>53</u>

LYMM HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 August 2017

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR  
Group

	2018 £'000	2017 £'000
Trade debtors	17	10
Other debtors	38	45
VAT	20	36
Prepayments and accrued income	<u>43</u>	<u>9</u>
	<u>118</u>	<u>100</u>

Charitable company

	2018 £'000	2017 £'000
Trade debtors	17	10
Other debtors	38	45
VAT	20	36
Amounts due from subsidiary company	20	62
Prepayments and accrued income	<u>43</u>	<u>9</u>
	<u>138</u>	<u>162</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR  
Group and charitable company

	2018 £'000	2017 £'000
Other loans (see note 18)	44	38
Trade creditors	71	121
Accruals and deferred income	<u>145</u>	<u>12</u>
	<u>260</u>	<u>171</u>

**LYMM HIGH SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£'000	£'000
Other loans (see note 18)	<u>253</u>	<u>240</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£'000	£'000
Debt due within one year	44	38
Due between two – five years	178	153
Due in more than five years	<u>75</u>	<u>88</u>
	<u>297</u>	<u>279</u>

The above represent loans from Salix finance Ltd. These loans are interest free and repayable over 8 years.

**19. OPERATING LEASE COMMITMENTS**

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

	2018	2017
	£'000	£'000
Amounts due within one year	43	73
Amounts due between one and five years	<u>104</u>	<u>76</u>
	<u>147</u>	<u>149</u>

**20. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy's had capital commitments contracted for but not provided for amounting to Nil (2017: £380,000)

**21. MEMBERS' LIABILITY**

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



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2018

**22. MOVEMENT IN FUNDS**

	At 1.9.17 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
<b>Unrestricted funds</b>				
General fund	(21)	95	-	74
School trips	-	-	-	-
Charitable fundraising	-	10	-	10
<b>Restricted funds</b>				
Fixed Assets	27,335	350	(31)	27,654
General funds	288	326	31	645
Pension reserve	(2,082)	382	-	(1,700)
	25,541	1,058	-	26,599
<b>TOTAL FUNDS</b>	<u>25,520</u>	<u>1,163</u>	<u>-</u>	<u>26,683</u>

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

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	1,237	(1,142)	-	95
School trips	555	(555)	-	-
Charitable fundraising	69	(59)	-	10
<b>Restricted funds</b>				
Fixed Assets	901	(551)	-	350
General funds	8,807	(8,481)	-	326
Pension reserve	-	(362)	744	382
	9,708	(9,394)	744	1,058
<b>TOTAL FUNDS</b>	<u>11,569</u>	<u>(11,150)</u>	<u>744</u>	<u>1,163</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

**22. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.9.16 £'000	Prior year adjustment £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.17 £'000
<b>Unrestricted Funds</b>					
General fund	(169)	-	148	-	(21)
<b>Restricted Funds</b>					
Fixed Assets	27,361	(243)	(176)	393	27,335
General funds	649	-	32	(393)	288
Pension reserve	<u>(2,102)</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>(2,082)</u>
	25,908	(243)	(124)	-	25,541
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>25,739</u>	<u>(243)</u>	<u>24</u>	<u>-</u>	<u>25,520</u>

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

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	1,213	(1,065)	-	148
<b>Restricted funds</b>				
Fixed Assets	289	(465)	-	(176)
General funds	8,537	(8,505)	-	32
Pension reserve	<u>-</u>	<u>(276)</u>	<u>296</u>	<u>20</u>
	8,826	(9,246)	296	(124)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>10,039</u>	<u>(10,311)</u>	<u>296</u>	<u>24</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 August 2018

**22. MOVEMENT IN FUNDS - continued****A current year 12 months and prior year 12 months combined position**

	At 1.9.16 £'000	Prior year adjustment £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
<b>Unrestricted Funds</b>					
General fund	(169)	-	243	-	74
School trips	-	-	-	-	-
Charitable fundraising	-	-	10	-	10
<b>Restricted Funds</b>					
Fixed Assets	27,361	(243)	174	362	27,654
General funds	649	-	358	(362)	645
Pension reserve	(2,102)	-	402	-	(1,700)
	25,908	(243)	934	-	26,599
<b>TOTAL FUNDS</b>	<u>25,739</u>	<u>(243)</u>	<u>1,187</u>	<u>-</u>	<u>26,683</u>

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

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
<b>Unrestricted funds</b>				
General fund	2,450	(2,207)	-	243
School trips	555	(555)	-	-
Charitable fundraising	69	(59)	-	10
<b>Restricted funds</b>				
Fixed Assets	1,190	(1,016)	-	174
General funds	17,344	(16,986)	-	358
Pension reserve	-	(638)	1,040	402
	18,534	(18,640)	1,040	934
<b>TOTAL FUNDS</b>	<u>21,608</u>	<u>(21,461)</u>	<u>1,040</u>	<u>1,187</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

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**23. PENSION AND SIMILAR OBLIGATIONS**

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

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to join the scheme in the year/period. The obligations in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2017**

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**23. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

There were no pension contributions outstanding at 31 August 2018 or 31 August 2017 as these were paid over to the payroll provider prior to the year end.

**Teachers' pension scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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 valuations about the value of future costs, design of benefits and other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Direction 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer pension costs paid to TPS in the period amounted to £626,000 (2017: £620,000).

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

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

**23. PENSION AND SIMILAR OBLIGATIONS**

**- continued**

**Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £440,000 (2017: £428,000), of which employer's contributions totalled £388,000 (2017: £338,000) and employees' contributions totalled £102,000 (2017: £90,000). The agreed contribution rates for future years are 23.3% for employers and variable rate 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**

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment	2.3 %	2.4%
Discount rate for scheme liabilities	2.8%	2.5%

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

	At 31 August 2018	At 31 August 2017
<b>Retiring today</b>		
Males	22.3	22.3
Females	24.5	24.4
<b>Retiring in 20 years</b>		
Males	23.9	23.9
Females	26.5	26.5

**Sensitivity analysis**

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate -.05%	877	835
Salary rate increase +.05%	165	178
Pension rate increase +.05%	701	642

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at August 2018 £'000	Fair value at August 2017 £'000
Equities	2,179	1,967
Government bonds	1,952	1,612
Property	363	275
Cash	46	79
<b>Total market value of assets</b>	<b>4,540</b>	<b>3,933</b>

The actual return on scheme assets was £259,000 (2017: £252,000)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2018**

**23. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

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

	2018 £000	2017 £000
Current service cost (net of employee contributions)	694	567
Net interest cost	56	47
	<u>750</u>	<u>614</u>
Total operating charges		

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

	2018 £000	2017 £000
<b>At 1 September</b>	6,015	5,817
Current service cost	694	567
Interest cost	160	129
Employee contribution	102	90
Actuarial (gain)/loss	(698)	(566)
Benefits paid	(33)	(22)
	<u>6,240</u>	<u>6,015</u>
<b>At 31 August</b>		

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

	£000	£000
<b>At 1 September</b>	3,933	3,715
Interest on plan assets	104	82
Actuarial gain/(loss)	46	(270)
Employer contribution	388	338
Employee contribution	102	90
Benefits paid	(33)	(22)
	<u>4,540</u>	<u>3,933</u>
<b>At 31 August</b>		

**24. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

