Lisle Marsden Church of England Primary Academy

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	38,003	-	10,176	48,179
Charitable activities:					
Funding for the Academy trust's educational operations	3	-	2,508,284	-	2,508,284
Other trading activities	4	64,321	-	-	64,321
Investments	5	6,049	-	-	6,049
Total		108,373	2,508,284	10,176	2,626,833
Expenditure on:					
Raising funds	6	46,332	3,268	-	49,600
Charitable activities:					
Academy trust educational operations	7	10,414	2,563,496	101,553	2,675,463
Total		56,746	2,566,764	101,553	2,725,063
Net income/(expenditure)		51,627	(58,480)	(91,377)	(98,230)
Transfers between funds		-	(22,814)	22,814	-
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	21	-	(128,000)	-	(128,000)
Net movement in funds/(deficit)		51,627	(209,294)	(68,563)	(226,230)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		420,246	(1,038,036)	939,451	321,661
Total funds/(deficit) carried forward at 31 August 2017		471,873	(1,247,330)	870,888	95,431

Comparative figures are stated on page 26.

Lisle Marsden Church of England Primary Academy

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	31,254	-	65,385	96,639
Charitable activities:					
Funding for the Academy trust's educational operations	3	36,484	2,429,624	-	2,466,108
Other trading activities	4	57,937	-	-	57,937
Investments	5	5,874	-	-	5,874
Total		131,549	2,429,624	65,385	2,626,558
Expenditure on:					
Raising funds	6	80,835	-	-	80,835
Charitable activities:					
Academy trust educational operations	7	-	2,422,996	220,288	2,643,284
Total		80,835	2,422,996	220,288	2,724,119
Net income/(expenditure)		50,714	6,628	(154,903)	(97,561)
Transfers between funds		-	(122,177)	122,177	-
Other recognised gains and losses					
Actuarial gains / (losses) on defined benefit pension schemes	21	-	(181,000)	-	(181,000)
Net movement in funds/(deficit)		50,714	(296,549)	(32,726)	(278,561)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2015		369,532	(741,487)	972,177	600,222
Total funds/(deficit) carried forward at 31 August 2016		420,246	(1,038,036)	939,451	321,661

Lisle Marsden Church of England Primary Academy

(Registration number: 07808707)
Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	870,888	939,451
Current assets			
Debtors	12	38,743	47,423
Cash at bank and in hand		637,390	611,178
		676,133	658,601
Creditors: Amounts falling due within one year	13	(103,590)	(148,391)
Net current assets		572,543	510,210
Total assets less current liabilities		1,443,431	1,449,661
Net assets excluding pension liability		1,443,431	1,449,661
Pension scheme liability	21	(1,348,000)	(1,128,000)
Net assets including pension liability		95,431	321,661
Funds of the Academy:			
Restricted funds			
Restricted general fund		100,670	89,964
Restricted fixed asset fund		870,888	939,451
Restricted pension fund		(1,348,000)	(1,128,000)
		(376,442)	(98,585)
Unrestricted funds			
Unrestricted general fund		471,873	420,246
Total funds	14	95,431	321,661

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 12 December 2017 and signed on their behalf by:

....

J Woolner
Governor and trustee

Lisle Marsden Church of England Primary Academy

Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	42,975	17,999
Cash flows from investing activities	18	(16,763)	(45,657)
Change in cash and cash equivalents in the year		26,212	(27,658)
Cash and cash equivalents at 1 September		611,178	638,836
Cash and cash equivalents at 31 August	19	637,390	611,178

1 Accounting policies

General information

The Academy Trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of it's registered office is:
Lisle Marsden Church of England Primary Academy
Lansdown Avenue
Grimsby
N E Lincolnshire
DN32 0DF

These financial statements were authorised for issue by the Board on 12 December 2017.

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Lisle Marsden Church of England Primary Academy meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy 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.

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.

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

Asset class	**Depreciation method and rate**
Leasehold land	125 years straight line
Buildings	15 years straight line
Office equipment	25% - 33% straight line
Fixtures and fittings	25% - 33% straight line

Liabilities

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

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Long term leasehold land:
The land is held on a 125 year lease with North East Lincolnshire Council. It was recognised as an asset on conversion and is being depreciated accordingly.

1 Accounting policies (continued)

Financial Instruments
The academy 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 cost. Prepayments are not financial instruments.

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 cost. 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.

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1 Accounting policies (continued)

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 Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Educational trips and visits	38,003	-	38,003	31,254
Capital grants	-	10,176	10,176	65,385
	38,003	10,176	48,179	96,639

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

3 Funding for Academy's educational operations

	Restricted funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	2,218,249	2,218,249	2,169,778
Other DfE grant	361	361	1,365
Pupil Premium	155,511	155,511	151,426
Universal Infants Free School Meals	88,347	88,347	75,091
	2,462,468	2,462,468	2,397,660
Other government grants			
Other government grants	45,816	45,816	31,964
Non-government grants and other income			
Other income	-	-	36,484
Total grants	2,508,284	2,508,284	2,466,108

4 Activities for generating funds

	Unrestricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	37,313	37,313	37,945
School shop sales	648	648	803
Other sales	26,360	26,360	19,189
	64,321	64,321	57,937

5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Short term deposits	6,049	6,049	5,874

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	49,600	49,600	80,835
Academy's educational operations					
Direct costs	1,516,822	-	139,370	1,656,192	1,604,276
Allocated support costs	525,656	259,681	233,934	1,019,271	1,039,008
	2,042,478	259,681	373,304	2,675,463	2,643,284
	2,042,478	259,681	422,904	2,725,063	2,724,119

Net incoming/outgoing resources for the year include:

	2017 £	2016 £
Operating leases:		
Operating leases - other leases	2,529	3,555
Fees payable to auditor - audit	5,450	5,350
Fees payable to auditor - other audit services	2,165	1,550
Depreciation	101,551	149,642

7 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	1,656,192	1,604,276
Support costs - educational operations	1,019,271	1,039,008
	2,675,463	2,643,284

	Educational operations £	Total 2017 £	Total 2016 £
Analysis of support costs			
Support staff costs	525,656	525,656	471,516
Depreciation	101,553	101,553	149,642
Technology costs	8,840	8,840	10,645
Premises costs	158,128	158,128	200,444
Other support costs	209,582	209,582	200,783
Governance costs	15,512	15,512	5,978
Total support costs	1,019,271	1,019,271	1,039,008

8 Staff costs

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	1,563,574	1,527,237
Social security costs	121,924	101,045
Pension costs	356,817	291,038
Supply teacher costs	163	21,960
	2,042,478	1,941,280

8 Staff costs (continued)

Staff numbers

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

	2017 No	2016 No
Charitable Activities		
Teachers	25	25
Administration and support	64	68
Management	4	4
	93	97

Higher paid staff

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

	2017 No	2016 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £340,433 (2016: £362,207).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

D Kinsey (Headteacher):

Remuneration: £70,000 - £75,000 (2016 - £65,000 - £70,000)
Employer's pension contributions: £10,000 - £15,000 (2016 - £10,000 - £15,000)

L Axcell (Staff trustee):

Remuneration: £Nil (2016 - £10,000 - £15,000)
Employer's pension contributions: £Nil (2016 - £0 - £5,000)

K Williams (Staff trustee):

Remuneration: £15,000 - £20,000 (2016 - £10,000 - £15,000)
Employer's pension contributions: £0 - £5,000 (2016 - £0 - £5,000)

T Brooks-Graves (Teacher):

Remuneration: £Nil (2016 - £15,000 - £20,000)
Employer's pension contributions: £Nil (2016 - £0 - £5,000)

9 Related party transactions - trustees' remuneration and expenses (continued)

A-M Jennings (Teacher):

Remuneration: £35,000 - £40,000 (2016 - £35,000 - £40,000)
Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £581 (2016 - £266) were reimbursed or paid directly to 1 trustees (2016 - 1).

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

10 Trustees' and officers' insurance

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

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

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2016	1,001,292	338,710	1,340,002
Additions	-	32,988	32,988
At 31 August 2017	1,001,292	371,698	1,372,990
Depreciation			
At 1 September 2016	117,872	282,679	400,551
Charge for the year	59,976	41,575	101,551
At 31 August 2017	177,848	324,254	502,102
Net book value			
At 31 August 2017	823,444	47,444	870,888
At 31 August 2016	883,420	56,031	939,451

Included within leasehold land and buildings is £559,631 (2016: £604,520) relating to long leasehold land and buildings.

The academy also occupies land and property owned by the Diocesan Trustees. Where there is no formal lease in place, these assets are not included in the above figures, as they are held based on an informal "licence to operate" in the properties owned by the Diocese. Enhanced detail is contained in the Related Party disclosure.

12 Debtors

	2017 £	2016 £
Trade debtors	3,390	120
Prepayments	31,508	32,364
VAT recoverable	3,845	14,939
	38,743	47,423

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	21,329	-
Other taxation and social security	30,878	29,162
Other creditors	379	1,679
Pension scheme creditor	35,402	33,334
Accruals	14,852	84,216
Deferred income	750	-
	103,590	148,391

	2017 £
Deferred income	
Resources deferred in the period	750

At the balance sheet date the Academy Trust was holding funds received in advance for National Leaders of Governance of £750.

14 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	28,905	2,218,249	(2,143,566)	(22,814)	80,774
Other DfE grant	-	361	(361)	-	-
Universal Infants Free School Meals	53,561	88,347	(141,908)	-	-
Other government grants	842	28,516	(29,358)	-	-
Pupil premium	6,656	170,811	(157,571)	-	19,896
Other income	-	2,000	(2,000)	-	-
	89,964	2,508,284	(2,474,764)	(22,814)	100,670
Restricted fixed asset funds					
Devolved capital grant	42,543	10,176	-	-	52,719
Assets transferred from local authority	597,824	-	(59,978)	-	537,846
Capital expenditure from GAG	262,139	-	(29,103)	22,814	255,850
Donated income	27,974	-	(8,315)	-	19,659
Capital Improvement Funding	8,971	-	(4,157)	-	4,814
	939,451	10,176	(101,553)	22,814	870,888
Restricted pension funds					
Pension fund	(1,128,000)	-	(92,000)	(128,000)	(1,348,000)
Total restricted funds	(98,585)	2,518,460	(2,668,317)	(128,000)	(376,442)
Unrestricted funds					
Unrestricted general funds	420,246	108,373	(56,746)	-	471,873
Total funds	321,661	2,626,833	(2,725,063)	(128,000)	95,431

14 Funds (continued)

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

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

Universal Infants Free School Meals funding is primarily to be used to provide children with a free school meal. However, any amounts not spent on this purpose can be used for any other purpose applicable to the objectives of the academy.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year, this is included within other DfE income.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

The donated assets income is the value of the school transferred from the local authority on conversion.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	870,888	870,888
Current assets	471,873	204,260	-	676,133
Current liabilities	-	(103,590)	-	(103,590)
Pension scheme liability	-	(1,348,000)	-	(1,348,000)
Total net assets	471,873	(1,247,330)	870,888	95,431

16 Financial commitments

Operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	1,767	2,529
Amounts due between one and five years	3,201	3,758
	4,968	6,287

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

	2017 £	2016 £
Net expenditure	(98,230)	(97,561)
Depreciation	101,551	149,642
Capital grants from DfE and other capital income	(10,176)	(65,385)
Interest receivable	(6,049)	(5,874)
Defined benefit pension scheme cost less contributions payable	68,000	8,000
Defined benefit pension scheme finance cost	24,000	34,000
Decrease in debtors	8,680	8,074
Decrease in creditors	(44,801)	(12,897)
Net cash provided by Operating Activities	42,975	17,999

18 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	6,049	5,874
Purchase of tangible fixed assets	(32,988)	(116,916)
Capital funding received from sponsors and others	10,176	65,385
Net cash used in investing activities	(16,763)	(45,657)

19 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	637,390	611,178
Total cash and cash equivalents	637,390	611,178

20 Members' liability

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

21 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. 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 £35,402 (2016 - £33,334) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

• employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
• total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
• an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
• the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £159,998 (2016: £156,397)

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £158,000 (2016 - £155,000), of which employer's contributions totalled £129,000 (2016 - £127,000) and employees' contributions totalled £29,000 (2016 - £28,000). The agreed contribution rates for future years are 23.3 per cent for employers and 5-7 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.

21 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	2.60	2.30
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	2.50	2.10

Sensitivity analysis

	At 31 August 2017 £	At 31 August 2016 £
0.5% decrease in Real Discount Rate	335,000.00	301,000.00
0.5% increase in Salary Increase Rate	81,000.00	125,000.00
0.5% increase in the Pension Increase Rate	247,000.00	167,000.00
Mortality assumption – 1 year increase	104,120.00	65,000.00

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males retiring today	21.70	21.90
Females retiring today	24.20	24.10
Retiring in 20 years		
Males retiring in 20 years	23.70	24.20
Females retiring in 20 years	26.40	26.70

The Academy Trust's share of the assets in the scheme were:

	At 31 August 2017 £	At 31 August 2016 £
Equities	891,050	790,500
Corporate bonds	163,150	115,940
Property	138,050	115,940
Cash and other liquid assets	62,750	31,620
Total market value of assets	1,255,000	1,054,000

The actual return on scheme assets was £56,000 (2016 - £151,000).

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	(197,000)	(135,000)
Interest income	24,000	32,000
Interest cost	(48,000)	(66,000)
Total amount recognised in the SOFA	(221,000)	(169,000)

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

	2017 £	2016 £
At start of period	2,182,000	1,663,000
Current service cost	197,000	135,000
Interest cost	48,000	66,000
Employee contributions	29,000	28,000
Actuarial (gain)/loss	160,000	300,000
Benefits paid	(13,000)	(10,000)
At 31 August	2,603,000	2,182,000

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

	2017 £	2016 £
At 1 September	1,054,000	758,000
Interest income	24,000	32,000
Actuarial gains	32,000	119,000
Employer contributions	129,000	127,000
Employee contributions	29,000	28,000
Benefits paid	(13,000)	(10,000)
At 31 August	1,255,000	1,054,000

Lisle Marsden Church of England Primary Academy

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

22 Related party transactions

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

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

Lisle Marsden Childcare Limited

(D Kinsey is a director)

The Academy received £23,600 (2016: £34,835) relating to recharges of costs to run the centre and had expenditure of £545(2016: £440) during the year. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook. At the balance sheet date the amount due to Lisle Marsden Childcare Limited was £Nil (2016 - £Nil).

Lincoln Diocesan Trust

(Related through trusteeship)

The academy received £1,520 (2016: £nil) and had expenditure of £nil (2016: £nil). In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook

The academy occupies land (including buildings) which are owned by its Trustees who are the Lincoln Diocesan Trust. The Trustees are the providers Lisle Marsden Church of England Primary Academy. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company. At the balance sheet date the amount due to Lincoln Diocesan Trust was £Nil (2016 - £Nil).

Wilkin Chapman

(K Davies is a Partner at Wilkin Chapman)

The Academy had expenditure of £504 (2016: £nil) during the year. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook. At the balance sheet date the amount due to Wilkin Chapman was £Nil (2016 - £Nil).