

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Trustees</b>	P Weir, Chair <sup>1</sup> V McLaren, Head Teacher (until 31 August 2016) <sup>1</sup> L Mayes, Acting Head Teacher (from 31 August 2016) K M Barrett, Vice Chair P Ashdown <sup>1</sup> R Davies (resigned 14 September 2015) S Franklin A-J MacLaughlin <sup>1</sup> T Moran P Richardson (resigned 31 August 2016) C Short (resigned 5 October 2015) M Simpson <sup>1</sup> D Mackman <sup>1</sup> C Webb <sup>1</sup> C A Chew (appointed 6 November 2015) <sup>1</sup> C Hobson T Beach J McLaren (appointed 8 July 2016)
	<sup>1</sup> Finance & Staffing Committee
<b>Company registered number</b>	07685652
<b>Company name</b>	Lethbridge Primary School
<b>Principal and Registered office</b>	Lethbridge Road Swindon Wiltshire SN1 4BY
<b>Accounting officer</b>	L Mayes
<b>Senior management team</b>	V McLaren, Headteacher L Mayes, Deputy Headteacher T Moran, EYFS Phase Leader K Pleasant, EYFS Phase Leader (15/16) (0.6) C Valderey, Yr 1/2 Phase Leader (15/16) and EYFS Phase Leader (15/16) (0.6) L Pryke, Yr 1/2 Phase Leader C Short, Yr 3/4 Phase Leader C Harmer, Yr 5/6 Phase Leader C Millen, School Business Manager
<b>Independent auditors</b>	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Advisers (continued)**

<b>Bankers</b>	Lloyds Bank Plc 5 High Street Swindon SN1 3EN
<b>Solicitors</b>	Swindon Borough Council Civic Offices Euclid Street Swindon SN1 2JH

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in Old Town, Swindon. It has a pupil capacity of 490 and had a roll of 482 in the school census on 3 October 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

On 1 August 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees 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 Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 8 Community Trustees who are appointed by members;
- up to 6 Parent Trustees who are elected by the Parents of registered pupils at the Academy subject to there being a minimum of 2;
- up to 4 Staff Trustees who are elected by members of staff subject to the total number not exceeding one third of the total number of Trustees; and
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees follows the Induction Policy which is available from the Clerk. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Academy purchases services from Swindon Borough Council's Trustees Support Service including access to Trustee Briefings and training. Advantage is also taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

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

In the previous accounting period the Academy formed a Finance & Staffing Committee whose terms of reference are:

- To recommend a strategic premises plan identifying the school's long term aims and one year objectives in order to achieve them;
- To prioritise, initiate and evaluate programmes of improvement and development, including specific premises projects, all in accordance with the school's Health & Safety Policy;
- To receive and monitor regular financial reports, make any necessary virements and exercise internal financial control; and
- In accordance with the Staffing and Pay Policy, make decisions concerning the Deployment, Recruitment, Appointment and Staff Development for all staff and to review the appraisal policy.

Individual Trustees are encouraged to act as Link Trustees for specific areas of school activity as prioritised by the School Development Plan.

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

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Phase Leaders and the School Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the senior leadership team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with performance management recommendations.

**Connected Organisations, including Related Party Relationships**

There are no related parties that either control or significantly influence the decisions and operations of Lethbridge Primary School.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

This is summarised in our vision statement:

Live, learn and achieve at Lethbridge!

At Lethbridge, our GOAL is that we will to connect with the world Globally, we will value Ourselves, we expect that All of us work together and we will help everyone to Learn.

**Objectives, Strategies and Activities**

Key priorities for the year were set out in the School Development Plan for 2015/16 as follows:

1. Leadership & Management
  - Aspirational targets were set throughout the school for all groups of pupils and staff, with necessary support and training for all staff;
  - All non-class based staff were trained in up-keeping high standards of behaviour across the school and several KS1 & KS2 TA's have been on a 'Grammar & Punctuation' course;
  - There has been a strong emphasis on peer mentoring/coaching within the school and across our cluster of partner schools and a cluster teacher strengths directory has been created;
  - All teaching staff have worked hard on their understanding of the new assessment structure and the school has implemented a cohesive whole school strategy for problem solving and mastery skills; and
  - The promotion of fundamental British values was introduced through a whole school topic "What Makes Britain Great" at the beginning of the year by means of a series of assemblies, a range of displays in public areas, and a SIP and governor joint learning walk.
2. Teaching & Learning
  - English and Maths are now planned for three days a week, with the other two days available for dealing with misconceptions, working in greater depth, or pre-teaching children with SEN;
  - Expectations are not capped for any child. All children are encouraged to do more at all times and lower achievers are placed in mixed ability groups to motivate them further;
  - Parents are given information about their child's targets and progress at both parents' evenings and by means of a full report at the end of the year. All marking, feedback and next steps are focused sharply on moving children's learning on;

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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- Children are involved in their learning by saying at the beginning of each topic what they would like to find out/learn more about/do. Homework is connected to the topic and children can decide how to present it; Motivating boys to write at above average levels remains a priority for all. Year 5 boys took part in a special author led writing workshop in conjunction with our cluster secondary school; and
  - Teachers focus on identifying pupils who are not achieving as well as their peers. Interventions are implemented early and parents are informed of any major problems straight away.
3. Personal development, behaviour and welfare
- The school council has agreed a new simple set of school rules, displayed throughout the school;
  - The school hosted a series of 'Healthy Living' workshops and has now been awarded Bronze Healthy Schools Status; and
  - The school has also been awarded the Eco Green Flag Status.
4. Outcomes
- Lesson observations show that most teaching is outstanding and all teaching is at least good;
  - The school's monitoring and moderation cycle ensures that all children are making outstanding progress;
  - All staff know pupils belonging to specific groups in their classes and are focused on closing attainment and progress gaps;
  - Staff reward positive attitudes to learning and excellent work is displayed, celebrated and rewarded;
  - Reading continues to be a strength and a priority across the school;
  - The Year 1 phonics screening pass rate remained significantly above the national average at 85%; and
  - All pupils are given open-ended opportunities to deepen their learning and understanding through problem-solving and reasoning activities, and are encouraged to discuss their learning and to learn independently.
5. Outcomes EYFS
- EYFS attainment was outstanding;
  - The most able children started guided reading earlier in the year; and
  - While 84% of girls achieved average or above average levels in writing, it was only 70% of boys. Special care will be taken in 2016/17 to close the gender gap in writing.
6. Community and Partnership Work
- Attendance is above the national average and pupils are punctual; and
  - Pupils participate in community events and issues.
7. Finance – including capital projects
- A new, easier lunch pre-ordering system has been introduced; and
  - The school has worked closely with "Friends of Lethbridge", who have provided funds for renewing the school's ICT suit, turf for the KS1 playground, as well as Healthy School workshops.



**LETHBRIDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Public Benefit**

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

**STRATEGIC REPORT**

**Achievements and Performance**

This was the fifth year of operation of the School as an Academy. The school continues to build on the foundations of previous years by focussing our efforts on raising achievement across the school, giving staff the tools and resources to support the learning, and providing the infrastructure to bring it together.

The school was inspected by OFSTED in June 2013 and was rated as Good in its overall effectiveness. The Achievement of Pupils, Quality of Teaching, Leadership and Management were all rated as Good, with Behaviour and Safety of pupils rated Outstanding. This is a significant improvement for the school which was previously rated as 'satisfactory' in 2010. For the year under review the School has been working hard to maintain the high standards set, address the issues of improvements highlighted by the OFSTED report and achieve the targets set by the School Improvement Plan. Progress in KS1 and KS2, as demonstrated below, has been outstanding and will be well above the national average in all areas. The latest self evaluation of the School considers the school to be Outstanding.

Sadly Miss McLaren, the Headteacher, for the past four years decided to seek new opportunities and left the School at the end of the academic year. The Trustees acknowledge her outstanding work over the period of her tenure and the great contribution she made in continually raising standards and making Lethbridge a fabulous School. Mrs Mayes takes over as acting Head teacher from 1 September 2016.

The school's results for 2015-16 are summarised below. The assessment structure and the curriculum for primary schools radically changed in 2015. Results for prior years are also shown to show trends over the past 5 years. The results demonstrate a high quality of teaching and overall success of the school's approach.

**2016:**

<b>Key Stage 2*</b>	<b>Lethbridge</b>	<b>National</b>	<b>Key Stage 1</b>	<b>Lethbridge</b>	<b>National</b>
Reading	94.1%	65.7%	Reading	94.1%	65.7%
Writing#	69%	74%	Writing	92.6%	72.4%
Maths	91.2%	69.8%	Maths	91.2%	69.8%
Grammar, Punctuation & Spelling	92.6%	72.4%	Grammar, Punctuation & Spelling	-	-

Pupils who reached the expected standard in SAT's.

# Pupils who met the expected standard.

**LETHBRIDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

Prior year results:

<b>Key Stage 2 Reading</b>	<b>Level 4 +</b>		<b>Key Stage 1 Reading</b>	<b>Level 2+</b>	
	<b>Lethbridge</b>	<b>National</b>		<b>Lethbridge</b>	<b>National</b>
2011	89%	84%	2011	91%	85%
2012	97%	87%	2012	94%	85%
2013	100%	86%	2013	94%	89%
2014	97%	89%	2014	97%	90%
2015	100%	89%	2015	96%	90%
<b>Key Stage 2 Writing</b>	<b>Level 4 +</b>		<b>Key Stage 1 Writing</b>	<b>Level 2+</b>	
	<b>Lethbridge</b>	<b>National</b>		<b>Lethbridge</b>	<b>National</b>
2011	59%	75%	2011	86%	81%
2012	90%	75%	2012	97%	85%
2013	90%	83%	2013	91%	85%
2014	91%	85%	2014	96%	86%
2015	97%	87%	2015	93%	88%
<b>Key Stage 2 Maths</b>	<b>Level 4 +</b>		<b>Key Stage 1 Maths</b>	<b>Level 2+</b>	
	<b>Lethbridge</b>	<b>National</b>		<b>Lethbridge</b>	<b>National</b>
2011	86%	80%	2011	97%	90%
2012	94%	84%	2012	99%	90%
2013	97%	85%	2013	97%	91%
2014	93%	86%	2014	97%	92%
2015	97%	87%	2015	96%	93%

The basis of these results is that the School is a happy, caring environment where children feel secure and enable to succeed. The Academy is committed to providing children with an amazing learning experience that incorporates all aspects of the child's development. There have been many visits, a huge number of visitors, many after-school clubs covering interests from sport to gardening to computing, opportunities for children to perform in their productions and assemblies, celebrations of local and national events, and the many activities organised by the Friends who raise significant funds for the benefit of pupils at Lethbridge School.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £808 of GAG was carried forward which represents 0.05% of GAG. In addition to the GAG the trust held unrestricted funds at the Balance Sheet date of £185,018.

Another key financial performance indicator is staffing costs as a percentage of total revenue income. For 2015/16 this was 80.4% compared to 72.1% in 2015.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015/16 were 484. It is anticipated that this number will remain reasonably stable and may increase by one or two.

**Going Concern**

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

## **FINANCIAL REVIEW**

### **Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2016, total expenditure (excluding restricted fixed asset funds and pension scheme liabilities) of £2,066,023 was largely covered by recurrent grant funding from the DfE, together with other incoming resources of £1,986,917. The excess of expenditure over income for the year was £79,106.

At 31 August 2016 the net book value of fixed assets was £3,692,144 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £3,681,384. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy took on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The movement on the deficit in the scheme in the year is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted an Internal Assurance Officer Policy and appointed Financial Services 4 Schools Ltd to undertake a programme of internal checks on financial controls. During the year, the Trustees received four reports from Financial Services 4 Schools Ltd which contained no matters of significance.

### **Reserves Policy**

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

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

### **Investment Policy**

The level of reserves will be determined by Trustees annually to provide a prudent level of reserves to meet the long term cyclical needs of the Academy and short term cash flow requirements needs and to meet unforeseen contingencies. Although these levels can fluctuate depending on operational needs the Trustees have determined that the Academy should aim to have a minimum of £100,000 or the maximum permitted by the EFA.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 92% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers especially with a new primary school being opened in the area. Trustees recognise that educational standards need to continue to improve and closely monitor achievement to ensure this happens. In addition, Trustees realise that the Academy needs to market its achievements more proactively and will put in place activities to do this.

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

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

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. The specific ways that the Academy will seek to achieve these objectives are in the School Improvement Plan for 2016/17.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**AUDITORS**

In so far as the Trustees are aware:

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

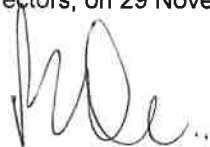
The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

**LETHBRIDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 29 November 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'P Weir', is positioned above the printed name.

**P Weir**  
Chair of Trustees

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Lethbridge Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lethbridge Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Weir	5	6
V McLaren	6	6
L Mayes	6	6
K M Barrett	6	6
P Ashdown	5	6
R Davies	2	2
S Franklin	4	6
A-J MacLaughlin	6	6
T Moran	4	6
P Richardson	3	6
C Short	2	2
M Simpson	4	6
D Mackman	5	6
C Webb	5	6
C A Chew	5	5
C Hobson	6	6
T Beach	5	6
J McLaren	0	0

The Finance & Staffing Committee is a sub-committee of the main Board of Trustees which receives and monitors regular financial reports, makes any necessary virements and exercise internal financial control against the Annual Budget, and receives reports from the Responsible Officer. The committee also oversees the school's premises plan and to prioritise, initiate and evaluate programmes of improvement and development, including specific premises projects, all in accordance with the school's Health & Safety Policy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Weir	2	3
D Mackman	3	3
V McLaren	3	3
P Ashdown	3	3
L Mayes	3	3
A Maclaughlin	0	3
C Webb	3	3
M Simpson	0	3
P Richardson	0	3
K M Barrett	3	3

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

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

- Achieving excellent standards under the new assessment regime. In Key Stage 1 for children reaching the highest standard in reading, writing and maths combined our results were in the top 2% in the country and progress for these children in the top 6%.75% of children at key stage one made at least the expected standard in reading, writing and maths- 15% above the national average. In Key Stage 2 our average scaled scores for reading and maths combined was significantly above the national average putting us in the top 9% in the country. The number of children reaching the expected standard in reading was 28% above the national, in grammar, punctuation and spelling was 21% above, in maths 21% and in science 13%. In Early Years the number of children reaching a 'good level of development' continues to be significantly above the national.
- We have worked closely with our parents association to ensure money raised by them is used in a targeted way to meet our School Development Plan and ensure outcomes for children are raised. This has included contributing to new computers for our computing suite, donating towards turfing an area of ground to provide a larger play area, contributing towards books for guided reading sessions, science workshop for children and performances and special curriculum visitors. The improved working relationship with them as a body has promoted their fundraising and targeting the spend more to fit in with the needs of the school in times of tight budgets has enhanced the way we spend our public funding so we can make it stretch further.
- We developed a system of working more closely with other schools within our cluster. All teaching staff benefited from a system of peer coaching which allowed them to share best practise with their colleagues in the cluster. This offered excellent continuous professional development at a low cost. Our year 5 boys were able to benefit from this closer working relationship by visiting the local secondary school for a writing workshop alongside a well-known children's author and a secondary maths teacher was able to help us enhance our provision for our most able mathematicians.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Lethbridge Primary School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (continued)**

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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 Trustees;
- regular reviews by the Finance & Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Financial Services for Schools Ltd (FS4S) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of FS4S's work have been identified.

**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 internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 29 November 2016 and signed on their behalf,  
by:



**P Weir  
Chair of Trustees**



**L Mayes  
Accounting Officer**



**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Lethbridge Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**L Mayes**  
**Accounting Officer**

Date: 29 November 2016

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as trustees of Lethbridge Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**P Weir**  
Chair of Trustees

**Date: 29 November 2016**

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES  
OF LETHBRIDGE PRIMARY SCHOOL**

We have audited the financial statements of Lethbridge Primary School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES  
OF LETHBRIDGE PRIMARY SCHOOL**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

9/12/2016

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lethbridge Primary School during the year 1 September 2015 to 31 August 2016 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 Lethbridge Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lethbridge Primary School and EFA 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 Lethbridge Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LETHBRIDGE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Lethbridge Primary School's funding agreement with the Secretary of State for Education dated July 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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.

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

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LETHBRIDGE  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: 9/12/2016

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	927	72,454	16,468	89,849	181,219
Charitable activities	5	48,843	1,842,663	-	1,891,506	1,918,195
Other trading activities	3	10,271	11,414	-	21,685	21,064
Investments	4	345	-	-	345	381
<b>TOTAL INCOME</b>		<b>60,386</b>	<b>1,926,531</b>	<b>16,468</b>	<b>2,003,385</b>	<b>2,120,859</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		60,386	2,005,637	103,219	2,169,242	2,145,558
<b>TOTAL EXPENDITURE</b>	6	<b>60,386</b>	<b>2,005,637</b>	<b>103,219</b>	<b>2,169,242</b>	<b>2,145,558</b>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>						
Transfers between Funds	17	-	(79,106)	(86,751)	(165,857)	(24,699)
		-	(28,126)	28,126	-	-
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		-	(107,232)	(58,625)	(165,857)	(24,699)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(405,000)	-	(405,000)	5,000
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>(512,232)</b>	<b>(58,625)</b>	<b>(570,857)</b>	<b>(19,699)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		185,018	(430,577)	3,750,769	3,505,210	3,524,909
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>185,018</b>	<b>(942,809)</b>	<b>3,692,144</b>	<b>2,934,353</b>	<b>3,505,210</b>

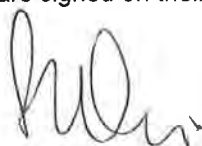
The notes on pages 24 to 46 form part of these financial statements.

**LETHBRIDGE PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07685652**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>3,692,144</b>		3,750,769
<b>CURRENT ASSETS</b>					
Debtors	14	<b>46,999</b>		91,443	
Cash at bank and in hand		<b>261,148</b>		351,328	
		<b>308,147</b>		<b>442,771</b>	
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(125,921)</b>		<b>(195,713)</b>	
<b>NET CURRENT ASSETS</b>			<b>182,226</b>		247,058
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,874,370</b>		3,997,827
<b>CREDITORS: amounts falling due after more than one year</b>	16		<b>(49,017)</b>		<b>(52,617)</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>3,825,353</b>		3,945,210
Defined benefit pension scheme liability	22		<b>(891,000)</b>		<b>(440,000)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>2,934,353</b>		3,505,210
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted income funds:					
General funds	17	<b>(51,809)</b>		9,423	
Fixed asset funds	17	<b>3,692,144</b>		3,750,769	
Restricted income funds excluding pension liability		<b>3,640,335</b>		3,760,192	
Pension reserve		<b>(891,000)</b>		<b>(440,000)</b>	
Total restricted income funds			<b>2,749,335</b>		3,320,192
Unrestricted income funds	17		<b>185,018</b>		185,018
<b>TOTAL FUNDS</b>			<b>2,934,353</b>		3,505,210

The financial statements were approved by the Trustees, and authorised for issue, on 29 November 2016 and are signed on their behalf, by:



**P Weir**  
**Chair of Trustees**

The notes on pages 24 to 46 form part of these financial statements.



**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<u>(52,128)</u>	<u>24,229</u>
<b>Cash flows from investing activities:</b>			
Interest received		345	(1,512)
Purchase of tangible fixed assets		(44,594)	(125,236)
Capital grants from DfE/EFA		9,486	99,222
<b>Net cash used in investing activities</b>		<u>(34,763)</u>	<u>(27,526)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(3,289)	(3,395)
<b>Net cash used in financing activities</b>		<u>(3,289)</u>	<u>(3,395)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(90,180)</b>	<b>(6,692)</b>
Cash and cash equivalents brought forward		<u>351,328</u>	<u>358,020</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>261,148</u></u>	<u><u>351,328</u></u>

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 GENERAL INFORMATION**

Lethbridge Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Lethbridge Road, Swindon, Wiltshire, SN1 4BY.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

Lethbridge Primary School constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Lethbridge Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Lethbridge Primary School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

**1.3 GOING CONCERN**

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

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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 Funding Agency 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 and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**1.5 INCOME**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1. ACCOUNTING POLICIES (continued)**

**1.6 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.

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

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

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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

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

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	125 years straight line
Long term leasehold property	-	50 years straight line
Fixtures and fittings	-	7 years straight line
Computer equipment	-	5 years straight line

**LETHBRIDGE PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 OPERATING LEASES**

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

**1.9 TAXATION**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

**1.10 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.11 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.12 LIABILITIES AND PROVISIONS**

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

**1.13 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

**LETHBRIDGE PRIMARY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

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 Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (compromising dividends and interest due from investments), trade creditors and accrued expenditure.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	927	72,454	7,000	80,381	81,997
Capital Grants	-	-	9,468	9,468	99,222
	<u>927</u>	<u>72,454</u>	<u>16,468</u>	<u>89,849</u>	<u>181,219</u>

In 2015, of the total income from donations, £3,108 was to unrestricted funds, £78,889 was to restricted funds and £99,222 was in relation to the restricted fixed asset funds.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

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**3. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Lettings	10,271	-	10,271	11,064
Trainee teacher income	-	11,414	11,414	10,000
	<u>10,271</u>	<u>11,414</u>	<u>21,685</u>	<u>21,064</u>

In 2015, of the total income from other trading activities, £11,064 was to unrestricted funds and £10,000 was to restricted funds.

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Bank interest	345	-	345	381
	<u>345</u>	<u>-</u>	<u>345</u>	<u>381</u>

In 2015, of the total investment income, £381 was to unrestricted funds and £Nil was to restricted funds.



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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	1,599,572	1,599,572	1,530,627
Other DfE/EFA grants	-	143,194	143,194	217,710
	<u>-</u>	<u>1,742,766</u>	<u>1,742,766</u>	<u>1,748,337</u>
<b>Other government grants</b>				
High Needs	-	89,727	89,727	86,308
Other government grants non capital	-	-	-	13,000
	<u>-</u>	<u>89,727</u>	<u>89,727</u>	<u>99,308</u>
<b>Other funding</b>				
Internal catering income	36,660	-	36,660	34,690
Other	12,183	10,170	22,353	35,860
	<u>48,843</u>	<u>10,170</u>	<u>59,013</u>	<u>70,550</u>
	<u>48,843</u>	<u>1,842,663</u>	<u>1,891,506</u>	<u>1,918,195</u>

In 2015, of the total income from charitable activities, £43,970 was to unrestricted funds and £1,874,225 was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
<b>Education:</b>					
Direct costs	1,273,346	103,219	157,026	1,533,591	1,467,732
Support costs	324,246	141,770	169,635	635,651	677,826
	<u>1,597,592</u>	<u>244,989</u>	<u>326,661</u>	<u>2,169,242</u>	<u>2,145,558</u>

In 2016, of the total expenditure, £60,386 (2015: £44,817) was to unrestricted funds and £2,108,856 (2015: £2,100,741) was to restricted funds.

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FOR THE YEAR ENDED 31 AUGUST 2016**

**7. DIRECT COSTS**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Pension finance costs	<b>9,000</b>	7,412
Educational supplies	<b>124,532</b>	161,227
Staff development	<b>14,568</b>	17,845
Supply teachers	<b>8,926</b>	6,920
Recruitment and support	-	9,407
Wages and salaries	<b>1,014,854</b>	936,264
National insurance	<b>66,466</b>	53,227
Pension cost	<b>192,026</b>	182,727
Depreciation	<b>103,219</b>	92,703
	<b><u>1,533,591</u></b>	<b><u>1,467,732</u></b>

**8. SUPPORT COSTS**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Pension finance costs	<b>8,000</b>	8,588
Other costs	<b>7,702</b>	8,299
Recruitment and support	<b>750</b>	750
Maintenance of premises and equipment	<b>30,974</b>	106,145
Cleaning	<b>41,439</b>	41,007
Rent and rates	<b>10,518</b>	9,907
Energy costs	<b>19,734</b>	21,378
Insurance	<b>13,522</b>	20,228
Catering	<b>49,594</b>	45,065
Technology costs	<b>25,384</b>	21,270
Office overheads	<b>29,108</b>	29,020
Legal and professional	<b>61,543</b>	66,931
Bank interest and charges	<b>1,999</b>	1,893
Governance	<b>11,138</b>	11,710
Wages and salaries	<b>253,831</b>	238,072
National insurance	<b>13,385</b>	10,793
Pension cost	<b>57,030</b>	36,770
	<b><u>635,651</u></b>	<b><u>677,826</u></b>

**LETHBRIDGE PRIMARY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. NET INCOME/(EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2016</b>	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	<b>103,219</b>	92,703
Auditor's remuneration - audit	<b>5,350</b>	5,350
Auditor's remuneration - non audit	<b>1,750</b>	1,750
	<u><u>          </u></u>	<u><u>          </u></u>

**LETHBRIDGE PRIMARY SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**10. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,259,759	1,167,416
Social security costs	79,851	64,020
Operating costs of defined benefit pension schemes	249,056	219,497
	<u>1,588,666</u>	<u>1,450,933</u>
Supply teacher costs	8,926	6,920
	<u>1,597,592</u>	<u>1,457,853</u>

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

	2016 No.	2015 No.
Teachers	25	24
Educational Support	28	26
Administration and Clerical	36	24
Management	2	2
	<u>91</u>	<u>76</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	18	17
Educational Support	18	16
Administration and Clerical	14	13
Management	2	2
	<u>52</u>	<u>48</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for this member amounted to £12,491 (2015: £9,492)

The key management personnel of the Academy Trust comprise the Trustees (who do not received remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the Academy Trust was £343,760 (2015: £374,841).

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 6 Trustees (2015: 5) in respect of defined contribution pension schemes.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: V McLaren: Remuneration £70,000 - £75,000 (2015: £65,000 - £70,000), Employer's Pension £10,000 - £15,000 (2015: £5,000 - 10,000), L Mayes: Remuneration £45,000 - £50,000 (2015: £35,000 - £40,000), Employer's Pension £5,000 - £10,000 (2015: £5,000 - £10,000), T Moran: Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000), Employer's Pension £5,000 - £10,000 (2015: £0 - £5,000), C Short: Remuneration £10,000 - £15,000 (2015: £40,000 - £45,000), Employer's Pension £0 - £5,000 (2015: £5,000 - 10,000), C Webb: Remuneration £30,000 - £35,000 (2015: £25,000 - £30,000), Employer's Pension £5,000 - £10,000 (2015: £5,000 - £10,000), C Chew: Remuneration £25,000 - £30,000 (2015: £Nil), Employer's Pension £0 - £5,000 (2015: £Nil).

During the year ended 31 August 2016, expenses totalling £1,823 (2015: £3,969) were reimbursed to 2 Trustees (2015: 7).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2015	3,851,836	121,840	99,926	4,073,602
Additions	26,915	3,426	14,253	44,594
At 31 August 2016	<u>3,878,751</u>	<u>125,266</u>	<u>114,179</u>	<u>4,118,196</u>
<b>DEPRECIATION</b>				
At 1 September 2015	237,569	42,323	42,941	322,833
Charge for the year	64,906	17,400	20,913	103,219
At 31 August 2016	<u>302,475</u>	<u>59,723</u>	<u>63,854</u>	<u>426,052</u>
<b>NET BOOK VALUE</b>				
At 31 August 2016	<u>3,576,276</u>	<u>65,543</u>	<u>50,325</u>	<u>3,692,144</u>
At 31 August 2015	<u>3,614,267</u>	<u>79,517</u>	<u>56,985</u>	<u>3,750,769</u>

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**14. DEBTORS**

	<b>2016</b>	2015
	£	£
Trade debtors	<b>1,466</b>	3,391
VAT recoverable	<b>7,718</b>	23,693
Prepayments and accrued income	<b>37,815</b>	64,359
	<u><b>46,999</b></u>	<u>91,443</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	2015
	£	£
Other loans	<b>3,600</b>	3,289
Other taxation and social security	<b>23,505</b>	19,055
Other creditors	<b>26,622</b>	10,269
Accruals and deferred income	<b>72,194</b>	163,100
	<u><b>125,921</b></u>	<u>195,713</u>

	<b>2016</b>	2015
	£	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2015	<b>72,462</b>	76,583
Resources deferred during the year	<b>52,490</b>	72,462
Amounts released from previous years	<b>(72,462)</b>	(76,583)
Deferred income at 31 August 2016	<u><b>52,490</b></u>	<u>72,462</u>

The deferred income at the year end consists of universal infant free school meals and money received in advance for school trips which relates to the 2016/17 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2016</b>	2015
	£	£
Other loans	<b>49,017</b>	52,617

Included within the above are amounts falling due as follows:

	<b>2016</b>	2015
	£	£
<b>BETWEEN ONE AND TWO YEARS</b>		
Other loans	<b>3,494</b>	3,289
<b>BETWEEN TWO AND FIVE YEARS</b>		
Other loans	<b>10,482</b>	9,866
<b>OVER FIVE YEARS</b>		
Other loans	<b>35,041</b>	39,462

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2016</b>	2015
	£	£
Repayable by instalments	<b>35,041</b>	39,462

The Equal Pay loan relates to amounts due to Swindon Unitary Authority in respect of an equal pay claim which arose prior to conversion to an academy. The total amount due is unsecured and repayable in annual instalments of £5,288 (2015: £5,288) over 16 years. Interest is being charged at a rate of 4.93% per annum. The total amount outstanding at the year end was £52,511 (2015: £55,906).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	185,018	60,386	(60,386)	-	-	185,018
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	65,329	1,599,572	(1,632,678)	(31,415)	-	808
High Needs	-	89,727	(89,727)	-	-	-
Pupil Premium	-	63,540	(63,540)	-	-	-
Other Restricted Funds	-	94,038	(94,038)	-	-	-
Other DfE/EFA Income	-	10,389	(10,389)	-	-	-
Equal pay loan	(55,906)	-	-	3,289	-	(52,617)
Universal infant free school meals	-	69,265	(69,265)	-	-	-
Pension reserve	(440,000)	-	(46,000)	-	(405,000)	(891,000)
	<u>(430,577)</u>	<u>1,926,531</u>	<u>(2,005,637)</u>	<u>(28,126)</u>	<u>(405,000)</u>	<u>(942,809)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	3,524,354	-	(71,081)	-	-	3,453,273
Fixed assets purchased from GAG	20,685	-	(14,988)	28,126	-	33,823
DfE/EFA Capital grants	159,807	-	(4,564)	-	-	155,243
Capital rollover brought forward	13,126	-	(4,991)	-	-	8,135
Devolved formula capital	24,970	9,468	(6,420)	-	-	28,018
Donations	5,563	7,000	(1,175)	-	-	11,388
Insurance receipts	2,264	-	-	-	-	2,264
	<u>3,750,769</u>	<u>16,468</u>	<u>(103,219)</u>	<u>28,126</u>	<u>-</u>	<u>3,692,144</u>
Total restricted funds	<u>3,320,192</u>	<u>1,942,999</u>	<u>(2,108,856)</u>	<u>-</u>	<u>(405,000)</u>	<u>2,749,335</u>
Total of funds	<u>3,505,210</u>	<u>2,003,385</u>	<u>(2,169,242)</u>	<u>-</u>	<u>(405,000)</u>	<u>2,934,353</u>



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**17. STATEMENT OF FUNDS (continued)**

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

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

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

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

Other EFA Grants - Includes PE Grant which represents funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Devolved Formula Capital - This represents funding from the EFA to cover the maintenance and purchase of the Academy's assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	3,692,144	3,692,144	3,750,769
Current assets	185,018	123,129	-	308,147	442,771
Creditors due within one year	-	(125,921)	-	(125,921)	(195,713)
Creditors due in more than one year	-	(49,017)	-	(49,017)	(52,617)
Pension scheme liability	-	(891,000)	-	(891,000)	(440,000)
	<u>185,018</u>	<u>(942,809)</u>	<u>3,692,144</u>	<u>2,934,353</u>	<u>3,505,210</u>

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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW  
FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(165,857)	(24,699)
<b>Adjustment for:</b>		
Depreciation charges	103,219	92,703
Interest (received)/payable	(345)	1,512
Decrease/(increase) in debtors	44,443	(809)
(Decrease)/increase in creditors	(70,102)	8,744
Capital grants from DfE and other capital income	(9,486)	(99,222)
Defined benefit pension scheme cost less contributions payable	29,000	30,000
Defined benefit pension scheme finance cost	17,000	16,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(52,128)</b>	<b>24,229</b>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	261,148	351,328
Total	261,148	351,328

21. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	22,928	40,145

Capital commitments at 31 August 2016 relate to fencing work at the school which is due to complete in the 2016/17 academic year.

## **22. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £25,982 were payable to the schemes at 31 August 2016 (2015: £10,269) 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.

#### **Valuation of the Teachers' Pension Scheme**

Not less than every four years 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 (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £81,508 (2015: £82,707).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**22. PENSION COMMITMENTS (continued)**

Under the definitions set out in 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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £127,000 (2015: £117,000), of which employer's contributions totalled £100,000 (2015: £92,000) and employees' contributions totalled £27,000 (2015: £25,000). The agreed contribution rates for future years are 22.8% from April 2017, 23.7% from April 2018 and 24.5% from April 2019 for employers and 5.5% to 7.5% 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:

	<b>2016</b>	2015
Discount rate for scheme liabilities	<b>2.10 %</b>	3.80 %
Rate of increase in salaries	<b>4.10 %</b>	4.60 %
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	2.70 %

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

	<b>2016</b>	2015
Retiring today		
Males	<b>22.3 years</b>	22.3 years
Females	<b>24.5 years</b>	24.5 years
Retiring in 20 years		
Males	<b>24.1 years</b>	24.1 years
Females	<b>26.9 years</b>	26.9 years

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**22. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2016 £</b>	<b>Fair value at 31 August 2015 £</b>
Equities	<b>728,000</b>	555,000
Debt instruments	<b>152,000</b>	117,000
Property	<b>121,000</b>	94,000
Cash	<b>10,000</b>	16,000
	<u><b>1,011,000</b></u>	<u>782,000</u>

The actual return on scheme assets was £163,782 (2015: £126,684)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	<b>2016 £</b>	<b>2015 £</b>
Current service cost (net of employee contributions)	<b>(129,000)</b>	(122,000)
Net interest cost	<b>(17,000)</b>	(16,000)
	<u><b>(146,000)</b></u>	<u>(138,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	<b>2016 £</b>	<b>2015 £</b>
Opening defined benefit obligation	<b>1,222,000</b>	1,049,000
Current service cost	<b>129,000</b>	122,000
Interest cost	<b>49,000</b>	42,000
Contributions by employees	<b>27,000</b>	25,000
Actuarial losses/(gains)	<b>475,000</b>	(15,000)
Benefits paid	<b>-</b>	(1,000)
	<u><b>1,902,000</b></u>	<u>1,222,000</u>

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**22. PENSION COMMITMENTS (continued)**

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

	<b>2016</b>	2015
	£	£
Opening fair value of scheme assets	782,000	650,000
Interest income	32,000	26,000
Actuarial gains and (losses)	70,000	(10,000)
Contributions by employer	100,000	92,000
Contributions by employees	27,000	25,000
Benefits paid	-	(1,000)
	<u>1,011,000</u>	<u>782,000</u>
Closing fair value of scheme assets	<u>1,011,000</u>	<u>782,000</u>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2016</b>	2015
	£	£
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	5,428	11,906
Between 1 and 5 years	10,856	-
Total	<u>16,284</u>	<u>11,906</u>

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year emergency repair work of £Nil (2015: £1,673) was acquired from Old Town Property Developments Limited, a company of whom the spouse of L Mayes, a Trustee, is a director. There were no other related party transactions other than certain Trustee's remuneration and expenses already disclosed in note 11.

**25. CONTROLLING PARTY**

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

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**26. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	261,148	351,328
Financial assets measured at amortised cost	15,204	48,844
	<u>276,352</u>	<u>400,172</u>
Financial liabilities measured at amortised cost	<u>72,321</u>	<u>146,544</u>

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

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

Financial liabilities measured at amortised cost comprise accruals and the equal pay loan.

**27. 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.

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**28. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2015 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		3,524,909	3,505,210
Total funds reported under FRS 102		<u>3,524,909</u>	<u>3,505,210</u>

<b>Reconciliation of net income/ (expenditure)</b>	<b>Notes</b>	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(10,699)
Interest cost on pension liability		(14,000)
Net movement in funds reported under FRS 102		<u>(24,699)</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £14,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.