Company Registration Number: 07681848 (England & Wales)

ALAMEDA MIDDLE SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

ALAMEDA MIDDLE SCHOOL
(A company limited by guarantee)

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ALAMEDA MIDDLE SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members and Governors	Simon Ratcliffe, Chair (appointed 8 October 2019) Maxine Warner, Headteacher and Accounting Officer Chloe Apicella (appointed 8 October 2019) Mhairi Armstrong (resigned 6 September 2019) Anthony Barkell (appointed 8 October 2019) Claire Cannon (appointed 4 March 2019) Emma Eames Carl Field, Chair (resigned 8 October 2019) Matthew Hague (resigned 14 May 2019) Sarah Hall (resigned 15 November 2019) Kat How (resigned 14 December 2018) Alex Jefferson (resigned 19 September 2018) Helen Moore (appointed 8 October 2019) Richard Pillinger (resigned 19 July 2019) Julia Rooney Tobias Shepherd (appointed 8 October 2019) Kelly Silk (resigned 8 July 2019) Amy Smith Sarah Warrington
Company registered number	07681848
Company name	Alameda Middle School
Principal and registered office	Station Road Ampthill Bedfordshire MK45 2QR
Company secretary	Mrs Elizabeth Walker
Senior management team	Maxine Warner, Headteacher Louise Fox, Assistant Headteacher Julie Barrows, Assistant Headteacher Diana Fickling, School Business Manager
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Equipoise House Grove Place Bedford MK40 3LE

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

National Westminster Bank Plc
81 High Street
Bedford
Bedfordshire
MK40 1YN

Lloyds Bank Plc
34 High Street
Bedford
Bedfordshire
MK40 1SB

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The principal activity of the Academy Trust is to operate an academy for pupils aged 9 to 13 serving a catchment area of Ampthill and Maulden, with admissions based on catchment area. It has a pupil capacity of 720 and had a roll of 718 in the school census on 3 October 2019.

Structure, governance and management

Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Governors of Alameda Middle School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Alameda Middle School.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

Members' liability

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

Governors' indemnity insurance

In accordance with normal practice the Academy has purchased insurance to protect the Governors and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £5 million and in the period under review no sums were paid out.

Structure, governance and management (continued)

Method of recruitment and appointment or election of Governors

The Members of the Academy Trust shall comprise no less than three persons, up to six persons appointed by the Governors, one person appointed by the Secretary of State for Education, in the event that the Secretary of State for Education appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16 of the Company's Articles of Association.

The number of Governors shall not be less than three, but shall not be subject to a maximum. The first Governors shall be those named in the initial Memorandum.

The Academy shall have the following Governors:

- up to five Community Governors;
- a minimum of six Parent Governors (both elected and appointed);
- up to three Staff Governors;
- up to three Co-opted Governors – a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy as a Co-opted Governor if the number of Governors who are employed by the Academy would therefore exceed three; and
- the Headteacher.

Each of the persons entitled to appoint Members above shall have the right, from time to time by written notice delivered to the office, to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher as an ex-officio Governor. Subject to remaining eligible to be a particular type of Governor, Governors may be re-appointed or re-elected.

Policies adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a period, induction tends to be done informally and is tailored specifically to the individual. Relevant training courses are identified for new Governors and all new Governors attend the New Governor Induction course run by Central Bedfordshire Council and receive a copy of the Governors Handbook along with relevant ESFA guidance.

Structure, governance and management (continued)

Organisational structure

The structure consists of three levels: the Governors; the Senior Leadership Team; and the Subject and Year Leaders. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team is the Headteacher, Assistant Headteachers and the School Business Manager. These leaders control the Academy at executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment boards for middle and senior leadership posts will contain a Governor. Some spending control is devolved to Heads of Department within an agreed budget.

Pay policy for key management personnel

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

Annual appraisals are conducted by the Headteacher for the Assistant Headteachers and the School Business Manager. Any change in pay is proposed by the Headteacher to the Pay and Personnel Committee.

The Headteacher's appraisal and remuneration is dealt with by a separate Headteacher's appraisal committee and any pay change is recommended by this committee and proposed to the Resources Committee for approval.

The Academy Trust follows the Government guidance for Teachers pay and conditions for schools in England and Wales. Teaching members of the Senior Leadership Team are paid in line with the recommended pay levels for their individual scales. Non-teaching members of the Senior Leadership Team are paid in line with the NJC (National Joint Council) pay levels for their individual scale.

Related parties and other connected charities and organisations

Related or connected party transactions have been disclosed in note 27.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables. As the Trust does not have any employees who were relevant union officials during the relevant period it has excluded the tables in its Trustees' report.

Objectives and activities (continued)

Objects and aims

Alameda Middle School is a mixed comprehensive school for 9-13 year olds serving a localised community. The pupils almost all come from within the catchment area and almost all move on to the upper school half a mile away. We work closely with both the lower and upper school to ensure as smooth a transition as possible. We are a very traditional school, aiming to develop the pupils as well behaved, polite and confident individuals. We foster tolerance of others whatever their background and the curriculum supports the pupils' understanding of other cultures and beliefs.

The principal objective of the Academy is to advance the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The main objectives of the Academy during the year ended 31 August 2019 are summarised below:

- To accelerate progress, improving standards and outcomes for all pupil groups, including those from vulnerable groups including those with special needs, to achieve their target levels in Maths and English;
- To embed rigorous assessment systems for all subjects in all year groups in order to track progress, indentify gaps in learning and to raise standards for all pupils;
- To ensrue that the marking policy is used effectively to ensure pupils receive feedback which enables them to improve their work and make progress;
- To ensure that pupils who receive Pupil Premium support and other under-performing sub groups make accelerated progress in order to close the achievement gap;
- To raise the achievement of boys across the school;
- To improve the recruitment and retention of staff in order that top quality staff are recruited, developed and retained and effective succession planning is in place;
- To provide opportunities to share good practice in teaching and learning across the school. To develop strategies to improve learning in order to raise standards, promote resilience and independence and to ensure outstanding behaviour for learning;
- To improve the school site to support teaching and learning and leadership and management and to improve safety; and
- To ensure consistency in middle leadership across the school so that all leaders at all levels contribute positively to and are accountable for raising standards.

The Alameda Middle School community values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action or fear of racism, discrimination or prejudice. By our actions we will work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit Alameda Middle School.

Pupils will be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working

Objectives and activities (continued)

collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfil their roles as true partners, recognising their role in the pupil-school-parent partnership to ensure their child realises his/her potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming outstanding.

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities, including creating a working environment in which the contributions and needs of all people are fully valued.

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's guidance document on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set.

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

Strategic report

Achievements and performance

Key performance indicators

The February 2018 Ofsted inspection highlighted the strengths of the Academy, judging the overall effectiveness of the Academy to be good. In summary:

- Leaders and governors ensure that all adults are suitable to work with pupils. They have an effective system to ensure that recruitment processes for staff are complete, checked and reported to governors.
- Teaching, learning and assessment in the school are good.
- Leaders are now making sure that teaching in science is improving.
- Pupils work well in lessons.
- Pupils speak highly of the opportunities they have in sports, arts, music and other clubs outside lessons.

Key Stage 2

Table 1: KS2 test results 2019: % attaining the expected standard for the end of KS2

	Alameda	National
Maths	79%	79%
Reading	80%	73%
Writing	64%	78%
SPAG	73%	78%
RWM	54%	65%

Pupils achieved above national averages in reading and broadly in line with National expectations in maths. Performance was below national in the combined reading, writing and maths due to a lower performance in writing. This is being addressed immediately.

Strategic report (continued)

Achievements and performance (continued)

Exit Data

Table 2: Results from GL tests completed in June 2019: % attaining expected standard for Year 8

	Alameda	National
Maths	84%	77%
English	86%	77%

Pupils' attainment on exit is above national standards leaving them well positioned for the next stage of their education.

Progress across four years form entry to exit

Table 3: Results from GL tests taken at the start of year 5 and the end of year 8

	Mean SAS on entry – October 2015	Mean SAS on exit – June 2019
Maths	101.6	114.6
English	107.2	110.5

GL tests use a standardised age score (SAS) where 100 is the age related expectation. If SAS stays the same from one year to the next, pupils will have made expected progress. The significant mean gains shown here shows that pupils make excellent progress across the four years in both maths and English.

To ensure that standards are continually raised, the Academy operates a programme of internal and external review of its work. The school works with an external advisor to review progress.

Going concern

After making appropriate enquiries, the Governing Body 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 Accounting Policies.

Financial review

Strategic report (continued)

Financial review (continued)

Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects. The Governors regularly review the level of reserves, the current budget and the capital programme for the continued enhancement of the Academy.

Reserves at 31 August 2019 were £6,973,728 comprising £7,327,704 of restricted fixed asset funds, £402,860 of restricted general funds, £331,164 of unrestricted general funds and a deficit of £1,088,000 in the pension reserve.

The actuarial valuation resulting in the pension deficit in the Local Government Pension Scheme and the corresponding liability does not result in an immediate cash flow impact on the Academy; it is not a liability that must be settled immediately. The funding position of a pension scheme will result in a cash flow effect in terms of an increase or decrease in contributions over a period of years. The next actuarial valuation of the scheme is due as at 31 March 2020 where the actuary will review the contribution rates for future years. Any rate change for the Academy will be built into the future budgeting. Plans to eliminate the pension deficit are incorporated into the Academy's plans in making contributions as recommended by the actuary.

Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The principal financial risks and uncertainties of the Academy relate to the changes in funding levels from the ESFA, changes in pupil numbers, reputational risks and staff recruitment. In addition there are risks relating to the Local Government Pension Scheme.

The Governing Body 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 Governing Body is of the view that there is a formal on-going process of identifying, evaluating and managing the Academy's significant risks that have been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

Strategic report (continued)

Financial review (continued)

Review of year

Most of the Academy's income is received from the Department for Education via the Education and Skills Funding Agency in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities and the grants received are detailed in notes 4 and 5 to the financial statements.

During 2018/19 the Academy successfully secured a grant of £265,657 from the ESFA from the Condition Improvement Fund (CIF) for the second phase of its Roof replacement project, work started on the project in July 2019 and is scheduled to complete in 19/20. At year-end the balance for this project was held in the restricted fixed asset fund amounting to £196,824.

Total income for the year was £3,773,186 and total revenue and capital expenditure amounted to £3,548,681. Expenditure includes staff costs of £2,648,611 which represents 92.2% of GAG income and 76.5% of total grants and funding for educational purposes (excluding capital grants). The surplus of income over expenditure for the year before the Restricted Asset Fund and before the pension fund amounted to £245,262, and a deficit of £116,498 after accounting for the actuarial movement of £341,000 and cash shortfall of £100,000 on the Local Government Pension Scheme and the movements on the Restricted Fixed Asset Fund of £79,241.

The Academy has taken on the deficit in the Local Government Pension Scheme, in respect of its support staff, transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 24 to the Financial Statements. This deficit has arisen because the total market value of the Academy's share of the pension assets is not sufficient to cover the present value of the Academy's liabilities under this scheme. Triennial actuarial valuations assess the level of the employer's and employee's contributions rates in order to manage this deficit and recommend a suitable level of contributions for each.

Surplus funds are held in the liquidity account so as to earn interest on them. No further investment activities are undertaken.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the Trust must include information on fundraising practices. Funding raising for the school is led by its parent teacher association who are a charity in their own right. The school does fundraise for other charities during the course of the year and all funds raised are passed to the relevant charity. The Governors monitor all fundraising.

If the Trust does fundraise in the future it would adopt the six principles as set out in the Charity Commission for England and Wales charity fundraising guidance, making use of the checklist the Commission provides to meet its legal requirements and to adhere to good practice recommendations.

Plans for future periods

The Academy will continue striving to improve the levels of performance of its pupils at all levels and will continue its efforts to ensure its pupils are in the best position possible for transfer to the upper school.

The Academy has an outstanding understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The Academy also makes good use of external validation to secure its judgment on the quality of provision and subsequent outcomes.

The main objectives of the Academy during the year ended 31 August 2019 are summarised below:

- Accelerate progress, improve standards and outcomes for all pupils to the target levels in English and maths.
- Ensure support and challenge is in place across the curriculum for key groups so that they make excellent progress from their starting points.
- To ensure effective systems are in place to support staff well-being and generate resilience.
- Improve the level of engagement of pupils with their learning, their school and wider community.
- Improve the behaviour for learning by modernising the behaviour policy to incorporate principles of restorative practice and to strengthen the school's commitment to values.
- Improve teaching and learning across school to engage pupils as active learners in all areas of the curriculum.
- Improve teaching learning and assessment and outcomes in science.
- To further enhance the safety of the site and continue with a plan to improve the school environment from a teaching and learning perspective.
- To ensure the school remains financially viable in increasingly challenging times by working more efficiently and effectively.
- To improve communication with and reporting to parents & carers.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Governors are aware:

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

Auditors

The auditors, MHA MacIntyre Hudson, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 12 DECEMBER 2019 and signed on its behalf by:

....

Simon Ratcliffe
Chair of Governors

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 5 times during the year.

The Board of Trustees has met formally five times in the year, which is less than the requirement of six times in the year. However, the committees have also met regularly and between meetings, all Trustees are updated through the management accounts and minutes of meetings.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Simon Ratcliffe, Chair	5	5
Maxine Warner, Headteacher and Accounting Officer	5	5
Chloe Apicella	0	0
Mhairi Armstrong	4	5
Anthony Barkell	0	0
Claire Cannon	3	3
Emma Eames	2	5
Carl Field, Chair	5	5
Matthew Hague	1	3
Sarah Hall	5	5
Kat How	1	2
Alex Jefferson	0	0
Helen Moore	0	0
Richard Pillinger	3	5
Julia Rooney	5	5
Tobias Shepherd	0	0
Kelly Silk	3	4
Amy Smith	5	5
Sarah Warrington	4	5

During the year the Governors have reviewed the aims of the Academy, its strengths and areas for improvement. The outcome of the review is collated and feeds into the School Development Plan. This is revisited regularly to assess progress and identify new aims as the Academy continues to grow and strive to achieve an outstanding assessment.

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. It also fulfils the functions of an audit committee.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Mhairi Armstrong	5	5
Matthew Hague	0	2
Sarah Hall	3	5
Simon Ratcliffe	5	5
Kelly Silk	2	5
Amy Smith	4	5
Maxine Warner	4	5

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Curriculum, Standards and Community Committee is another sub-committee of the main Governing Body. Its purpose is to monitor and evaluate the curriculum planning and delivery, the assessment and improvement of the school's performance and to monitor and evaluate stakeholder engagement.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Claire Cannon	1	1
Emma Eames	3	4
Carl Field	4	4
Matthew Hague	0	1
Kat How	1	1
Alex Jefferson	0	0
Richard Pillinger	4	4
Julia Rooney	4	4
Maxine Warner	3	4
Sarah Warrington	4	4

The Pay Committee's purpose is to oversee all pay related matters.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Sarah Hall	2	2
Simon Ratcliffe	2	2
Julia Rooney	2	2

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 Governors 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:

Improving Educational Results
Educational standards are high at Alameda Middle School and results achieved by pupils by the time they leave are consistently above the national average. Additional teaching staff have been employed during the year to offer increased one to one working and small group work. Parent workshops continue to be held and subject booklets have been produced to support all pupils. The Academy has continued its investment in Classroom Monitor, sophisticated software, designed to capture results data and assist staff in greater monitoring, analysis and reporting of pupil achievement and assessment. The Academy has also invested in Lexia reading and phonics programme to support literacy.

Financial Governance and Oversight
Financial governance is overseen by the Resources Committee, which usually meets each half term. The Committee also make use of the external auditors reports, produced after each visit where a range of additional checks are performed.

The Governors are closely involved with the tendering process for school projects. Several quotes are sought and reviewed by Governors to ensure best value for money and quality are obtained.

Better Purchasing and Income Generation
The Academy uses a range of suppliers and obtains quotes in writing before making any significant purchasing decisions.

The school lettings business continues to thrive and new opportunities are sought, including new business through existing hirers.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

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

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

- Checks on the Accounting system, including bank controls
- Testing of income
- Testing of payroll systems
- Testing of purchasing systems

The external auditor reports to the Governing Body through the Resources Committee two to three times a year on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

During the year the reviewer produced one written reports. The report only contained minor recommendations, these have been considered by the executive managers during the course of the year and have been made available to all trustees.

Review of effectiveness

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

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

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

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Governors on 12 DECEMBER 2019 and signed on their behalf by:

....
Simon Ratcliffe
Chair of Trustees

....
Maxine Warner
Accounting Officer

12-12-2019

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

M Warner ....

Miss Maxine Warner
Accounting Officer
Date: 12 DECEMBER 2019

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 12 DECEMBER 2019 and signed on its behalf by:

....

Simon Ratcliffe
Chair of Governors

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALAMEDA MIDDLE SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALAMEDA MIDDLE SCHOOL (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ALAMEDA MIDDLE SCHOOL (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

MHA MacIntyre Hudson

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

Date: 13 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALAMEDA MIDDLE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alameda Middle School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Alameda Middle School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Alameda Middle School's funding agreement with the Secretary of State for Education dated 27 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

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

Conclusion

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 12 December 2019

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	4,679	310,630	315,309	24,612
Charitable activities	4	-	3,381,889	-	3,381,889	3,248,848
Other trading activities	5	42,470	32,317	-	74,787	87,166
Investments	6	1,201	-	-	1,201	304
Total income		43,671	3,418,885	310,630	3,773,186	3,360,930
Expenditure on:						
Raising funds		1,942	1,400	-	3,342	22,898
Charitable activities		7,888	3,364,067	173,384	3,545,339	3,484,143
Total expenditure	7	9,830	3,365,467	173,384	3,548,681	3,507,041
Net income		33,841	53,418	137,246	224,505	(146,111)
Transfers between funds	18	-	58,006	(58,006)	-	-
Net movement in funds before other recognised gains/(losses)		33,841	111,424	79,240	224,505	(146,111)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(341,000)	-	(341,000)	275,000
Net movement in funds		33,841	(229,576)	79,240	(116,495)	128,889
Reconciliation of funds:						
Total funds brought forward		297,323	(455,564)	7,248,464	7,090,223	6,961,334
Net movement in funds		33,841	(229,576)	79,240	(116,495)	128,889
Total funds carried forward		331,164	(685,140)	7,327,704	6,973,728	7,090,223

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

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 31 to 58 form part of these financial statements.

ALAMEDA MIDDLE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07681848

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	13		7,130,880		7,189,128
			7,130,880		7,189,128
Current assets					
Debtors	14	348,202		181,458	
Cash at bank and in hand	22	756,511		646,090	
		1,104,713		827,548	
Creditors: amounts falling due within one year	15	(161,014)		(279,453)	
Net current assets			943,699		548,095
Total assets less current liabilities			8,074,579		7,737,223
Creditors: amounts falling due after more than one year	17		(12,851)		-
Net assets excluding pension liability			8,061,728		7,737,223
Defined benefit pension scheme liability	24		(1,088,000)		(647,000)
Total net assets			6,973,728		7,090,223
Funds of the Academy					
Restricted funds:					
Fixed asset funds	18	7,327,704		7,248,464	
Restricted income funds	18	402,860		191,436	
Restricted funds excluding pension asset	18	7,730,564		7,439,900	
Pension reserve	18	(1,088,000)		(647,000)	
Total restricted funds	18		6,642,564		6,792,900
Unrestricted income funds	18		331,164		297,323
Total funds			6,973,728		7,090,223

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 26 to 58 were approved by the Governors, and authorised for issue on 12 DECEMBER 2019 and are signed on their behalf, by:

12-12-2019

Simon Ratcliffe
Chair of Governors

Maxine Warner
Accounting Officer

The notes on pages 31 to 58 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	**(86,275)**	263,614
Cash flows from investing activities	21	**196,696**	(232,044)
Change in cash and cash equivalents in the year		**110,421**	31,570
Cash and cash equivalents at the beginning of the year		**646,090**	614,520
Cash and cash equivalents at the end of the year	22	**756,511**	646,090

The notes on pages 31 to 58 form part of these financial statements

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

1. Accounting policies

Alameda Middle School is a company limited by guarantee registered in England. The registered office is detailed on page 1 and the principal activity is detailed in the Trustee's Report.

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

1.1 Basis of preparation of financial statements

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

Alameda Middle School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, rounded to the nearest £1.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

  Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1. Accounting policies (continued)

1.4 Expenditure

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Leasehold land	- 125 years straight line over term of the lease
Leasehold buildings	- 50 years straight line
Plant and equipment	- 3 to 10 years straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1. Accounting policies (continued)

1.11 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	4,679	-	**4,679**
Capital Grants	-	310,630	**310,630**
	4,679	310,630	**315,309**

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	10,858	-	10,858
Capital Grants	-	13,754	13,754
	10,858	13,754	24,612

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant	2,872,438	**2,872,438**	2,754,406
Pupil Premium	108,986	**108,986**	109,785
Other ESFA / DfE grants	59,024	**59,024**	32,666
	3,040,448	**3,040,448**	2,896,857
Other government grants			
Local authority income	174,495	**174,495**	185,490
Other grants	21,184	**21,184**	9,162
	195,679	**195,679**	194,652
Other funding			
Trip income	137,859	**137,859**	148,876
Catering income	7,903	**7,903**	8,463
	145,762	**145,762**	157,339
	3,381,889	**3,381,889**	3,248,848

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Rental income	33,307	-	**33,307**
School uniforms and other goods	9,163	1,932	**11,095**
School clubs	-	24,408	**24,408**
Book fair and charities	-	5,977	**5,977**
	42,470	32,317	**74,787**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Rental income	42,593	-	42,593
School uniforms and other goods	21,024	-	21,024
School clubs	-	23,549	23,549
	63,617	23,549	87,166

6. Investment income

	Unrestricted funds 2019 £	**Total funds 2019 £**	Total funds 2018 £
Bank interest receivable	1,201	**1,201**	304

7. Expenditure

	Staff Costs 2019 £	**Premises 2019 £**	**Other 2019 £**	**Total 2019 £**
Expenditure on fundraising trading activities:				
Direct costs	-	-	3,342	**3,342**
Educational operations				
Direct costs	2,353,416	173,384	302,035	**2,828,835**
Support costs	295,195	-	421,309	**716,504**
	2,648,611	173,384	726,686	**3,548,681**

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

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	22,898	22,898
Educational operations				
Direct costs	2,347,037	156,396	316,449	2,819,882
Support costs	293,484	-	370,777	664,261

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	2,828,835	716,504	**3,545,339**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational operations	2,819,882	664,261	3,484,143

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	**2,353,416**	2,347,037
Depreciation	**173,384**	156,396
Educational supplies and costs	**252,203**	275,434
Other staff related costs	**49,472**	35,225
Staff advertising	**360**	5,790
	2,828,835	2,819,882

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	**295,195**	293,484
Bought in professional services	**82,568**	102,127
Defined benefit pension scheme - net finance cost	**16,000**	21,000
Maintenance of premises and equipment	**122,972**	55,008
Leasing costs	**6,610**	9,034
Water and rates	**28,037**	12,116
Light and heat	**43,829**	39,741
Insurance	**19,106**	21,160
Catering	**10,097**	14,308
Security and transport	**70,226**	74,504
Other costs	**6,994**	6,386
Bank charges	**2,625**	2,416
Governance costs	**12,245**	12,977
	716,504	664,261

9. Net income

Net income for the year includes:

	2019 £	2018 £
Operating lease rentals	**6,683**	9,034
Depreciation of tangible fixed assets	**173,383**	156,396
Fees paid to auditors for:		
- audit	**6,645**	7,100
- other services	**1,955**	4,857

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,976,393	1,880,392
Social security costs	180,020	173,493
Pension costs	422,283	429,086
	2,578,696	2,482,971
Agency costs and secondments	56,254	112,335
Supply teacher costs	13,661	45,215
	2,648,611	2,640,521

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	42	40
Administration and support	46	52
Management	4	4
	92	96

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	-	1
In the band £80,001 - £90,000	1	1

10. Staff costs (continued)

c. Higher paid staff (continued)

The above bandings state annualised employee emoluments before employer's pension contributions.

The above employee paricipated in the Teacher's Pension Scheme. During the year ended 31 August 2019 pension contributions for this staff member amounted to £13,757 (2018: £23,451).

d. Key management personnel

The Key Management Personnel of the Academy comprise the trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer's national insurance and employer's pension contributions) received by Key Management Personnel for their services to the Academy was £303,803 (2018: £294,557).

11. Governors' remuneration and expenses

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

		2019	2018
		£	£
Miss Maxine Warner (Headteacher)	Remuneration	**80,000 - 85,000**	80,000 - 85,000
	Pension contributions paid	**10,000 - 15,000**	10,000 - 15,000
Mrs Mhairi Armstrong (resigned 6 September 2019)	Remuneration	**25,000 - 30,000**	25,000 - 30,000
	Pension contributions paid	**0 - 5,000**	0 - 5,000
Mrs Emma Eames	Remuneration	**15,000 - 20,000**	10,000 - 15,000
	Pension contributions paid	**0 - 5,000**	0 - 5,000
Miss Katherine Smith (resigned 14 December 2018)	Remuneration	**0 - 5,000**	30,000 - 35,000
	Pension contributions paid	**0 - 5,000**	5,000 - 10,000
Ms Claire Cannon (appointed 4 March 2019)	Remuneration	**20,000 - 25,000**	nil
	Pension contributions paid	**0 - 5,000**	nil
Mrs Louise Fox (resigned 27 November 2017)	Remuneration	**nil**	10,000 - 15,000
	Pension contributions paid	**nil**	0 - 5,000

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

12. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the total cost of insurance including Governors insurance for the year ended 31 August 2019 was £19,106 *(2018 - £21,160)*. The cost of this insurance is included in the total insurance cost and cannot be seperately identified.

13. Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Total £
Cost or valuation			
At 1 September 2018	7,968,542	358,190	8,326,732
Additions	87,640	27,495	115,135
Disposals	-	(39,791)	(39,791)
At 31 August 2019	8,056,182	345,894	8,402,076
Depreciation			
At 1 September 2018	843,700	293,904	1,137,604
Charge for the year	145,165	28,218	173,383
On disposals	-	(39,791)	(39,791)
At 31 August 2019	988,865	282,331	1,271,196
Net book value			
At 31 August 2019	7,067,317	63,563	7,130,880
At 31 August 2018	7,124,842	64,286	7,189,128

13. Tangible fixed assets (continued)

Included in the cost of leasehold land and buildings is leasehold land at valuation of £1,250,000 (2018: £1,250,000), which is being depreciated over the 125 year lease.

The leasehold land and buildings were professionally valued on conversion to academy status. The governors consider this valuation remains appropriate for the purposes of the financial statements.

The leasehold property is held under a 125 year lease from Central Bedfordshire Council ending 31 July 2136. No rent is payable under the terms of the lease.

The additions to leasehold land and buildings of £87,640 during the year relate to improvements to the leasehold buildings including the Fire Alarm replacement and SEN provision.

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	**5,803**	2,258
VAT recoverable	**37,770**	51,081
Prepayments and accrued income	**304,629**	128,119
	348,202	181,458

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	**857**	-
Trade creditors	**106,929**	113,939
Other taxation and social security	**31**	-
Other creditors	**-**	26,186
Accruals and deferred income	**53,197**	139,328
	161,014	279,453

16. Deferred income

	2019 £	2018 £
Deferred income at 1 September 2018	**41,336**	44,029
Resources deferred during the year	**30,596**	41,336
Amounts released from previous years	**(41,336)**	(44,029)
	30,596	41,336

At the balance sheet date the Academy was holding funds received in advance for the following purposes: school trips in future years £17,650 (2018: £27,130); sports hall lettings income £3,420 (2018: £5,424) and rates relief £9,526 (2018: £8,782).

17. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Salix loans	**12,851**	-

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General unrestricted funds	297,323	43,671	(9,830)	-	-	331,164
Restricted general funds						
Other restricted funds	119,000	546,446	(566,536)	-	-	98,910
General Annual Grant (GAG)	72,436	2,872,439	(2,698,931)	58,006	-	303,950
Pension reserve	(647,000)	-	(100,000)	-	(341,000)	(1,088,000)
	(455,564)	3,418,885	(3,365,467)	58,006	(341,000)	(685,140)
Restricted fixed asset funds						
Fixed asset funds	7,248,464	310,630	(173,384)	(58,006)	-	7,327,704
Total Restricted funds	6,792,900	3,729,515	(3,538,851)	-	(341,000)	6,642,564
Total funds	7,090,223	3,773,186	(3,548,681)	-	(341,000)	6,973,728

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. There no restriction on the amount of GAG carried forward at the year end.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes items such as school trips for which income received is used to cover the costs in association with these activities.

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS. The fund is in deficit but given the nature of the liability this is not payable immediately. There are plans in place to meet the deficit such that it is not a constraint on reserves.

18. Statement of funds (continued)

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion from the Central Bedfordshire Local Authority following the transfer of the land and buildings.

During the year, funds transfers of £58,006 between the General Annual Grant and the restricted fixed asset fund have taken place. This represents £68,833 of expenditure during the year that has been funded by capital grants and additions of £10,827 that have not been funded by capital grants.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General unrestricted funds	272,162	63,921	(38,760)	-	297,323
Restricted general funds					
Other restricted funds	95,066	528,849	(504,915)	-	119,000
General Annual Grant (GAG)	-	2,754,406	(2,681,970)	-	72,436
Pension reserve	(797,000)	-	(125,000)	275,000	(647,000)
	(701,934)	3,283,255	(3,311,885)	275,000	(455,564)
Restricted fixed asset funds					
Fixed asset funds	7,391,106	13,754	(156,396)	-	7,248,464
Total Restricted funds	6,689,172	3,297,009	(3,468,281)	275,000	6,792,900
Total funds	6,961,334	3,360,930	(3,507,041)	275,000	7,090,223

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,130,880	**7,130,880**
Current assets	482,652	425,237	196,824	**1,104,713**
Creditors due within one year	(151,488)	(9,526)	-	**(161,014)**
Creditors due in more than one year	-	(12,851)	-	**(12,851)**
Pension Liability	-	(1,088,000)	-	**(1,088,000)**
Total	331,164	(685,140)	7,327,704	**6,973,728**

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,189,128	7,189,128
Current assets	297,323	470,889	59,336	827,548
Creditors due within one year	-	(279,453)	-	(279,453)
Pension Liability	-	(647,000)	-	(647,000)
Total	297,323	(455,564)	7,248,464	7,090,223

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	**224,505**	(146,111)
Adjustments for:		
Depreciation	**173,384**	156,396
Capital grants from DfE and other capital income	**(310,630)**	(13,754)
Interest receivable	**(1,201)**	(304)
Defined benefit pension scheme administration cost	**1,000**	-
Defined benefit pension scheme cost less contributions payable	**83,000**	104,000
Defined benefit pension scheme finance cost	**16,000**	21,000
(Increase)/decrease in debtors	**(166,744)**	3,423
(Decrease)/increase in creditors	**(105,589)**	138,964
Net cash (used in)/provided by operating activities	**(86,275)**	263,614

21. Cash flows from investing activities

	2019 £	2018 £
Interest from investments	**1,201**	304
Purchase of tangible fixed assets	**(115,135)**	(246,102)
Capital grants from DfE Group	**310,630**	13,754
Net cash provided by/(used in) investing activities	**196,696**	(232,044)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	**756,511**	646,090
Total cash and cash equivalents	**756,511**	646,090

23. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**246,824**	-

24. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

Scheme Changes

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

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

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

The employer's pension costs paid to TPS in the year amounted to £259,000 *(2018 - £226,000)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £130,000 *(2018 - £128,000)*, of which employer's contributions totalled £102,000 *(2018 - £99,000)* and employees' contributions totalled £ 28,000 *(2018 - £29,000)*. The agreed contribution rates for future years are 20.4 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

24. Pension commitments (continued)

Principal actuarial assumptions

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

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

	2019 Years	2018 Years
Retiring today		
Males	**20.7**	22.4
Females	**23.2**	24.5
Retiring in 20 years		
Males	**21.7**	24.0
Females	**24.7**	26.2

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	**64,000**	-
Discount rate -0.1%	**(66,000)**	-
Discount rate +0.5%	**-**	293,000
Discount rate -0.5%	**-**	(293,000)
Mortality assumption - 1 year increase	**90,000**	65,000
Mortality assumption - 1 year decrease	**(87,000)**	(65,000)
CPI rate +0.1%	**55,000**	-
CPI rate -0.1%	**(54,000)**	-
CPI rate +0.5%	**-**	245,000
CPI rate -0.5%	**-**	(245,000)

24. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	**1,185,000**	894,000
Debt instruments	**266,000**	216,000
Property	**161,000**	139,000
Cash	**80,000**	293,000
Total market value of assets	**1,692,000**	1,542,000

The actual return on scheme assets was £44,000 *(2018 - £35,000)*.

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	**(174,000)**	(203,000)
Past service cost	**(11,000)**	-
Interest income	**45,000**	35,000
Interest cost	**(61,000)**	(56,000)
Total amount recognised in the Statement of financial activities	**(201,000)**	(224,000)

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

	2019 £	2018 £
At 1 September	**2,189,000**	2,151,000
Current service cost	**174,000**	203,000
Interest cost	**61,000**	56,000
Employee contributions	**28,000**	29,000
Actuarial losses/(gains)	**340,000**	(238,000)
Benefits paid	**(23,000)**	(12,000)
Past service costs	**11,000**	-
At 31 August	**2,780,000**	2,189,000

24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	**1,542,000**	1,354,000
Interest income	**45,000**	35,000
Actuarial (losses)/gains	**(1,000)**	37,000
Employer contributions	**102,000**	99,000
Employee contributions	**28,000**	29,000
Benefits paid	**(23,000)**	(12,000)
Administration expenses	**(1,000)**	-
At 31 August	**1,692,000**	1,542,000

The amounts recognised in the Balance Sheet are as follows:

	2019 £	2018 £
Present value of funded obligations	**(2,780,000)**	(2,189,000)
Fair value of scheme assets	**1,692,000**	1,542,000
Defined benefit pension liability	**(1,088,000)**	(647,000)

25. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	**4,196**	5,349
Later than 1 year and not later than 5 years	**6,294**	-
	10,490	5,349

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

26. 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.

27. Related party transactions

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

Certain trustees' remuneration and expenses are disclosed in note 11.

Robert How was the IT manager at Alameda Middle School. Robert How's wife is Kat How, a Trustee at Alameda Middle School to 14 December 2018.

Kat How has no involvement in the determining the consideration paid to Robert How. Payments on the agreed pay scale for the role made were on normal commercial terms at the same rates as those for other staff in similar roles. There were no amounts outstanding at the balance sheet date.