

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members and Trustees B A Reeder¹
J M Del Mar
C F Dalrymple^{1,2}
A J T MacAuslan^{1,3}
T L Richards, Chair of Trustees^{1,2,3}
E Goodman²
J Barclay, Vice Chair^{2,3}
M Alsop²
T A Haig¹
L J Thomson
T Robinson, Assistant Headteacher¹
N Pritchard, Headteacher^{1,2,3}
A Dang
D Smith²

¹ Finance and Facilities Committee

² Personnel and Standards Committee

³ Chairs Committee

Company registered number 07662809

Company name Pewsey Vale School

Principal and Registered office Pewsey Vale School
Wilcot Road
Pewsey
Wiltshire
SN9 5EW

Company secretary Deborah Clarke

Accounting Officer Neil Pritchard

Senior Leadership Team
Neil Pritchard, Headteacher
Vicky Phillips, Assistant Headteacher
Kirsty Protheroe, Deputy Headteacher
Deborah Clarke, Bursar
Chantal Dean, Assistant Headteacher
Tom Robinson, Assistant Headteacher

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Bankers Lloyds Bank
 38 The Market Place
 Devizes
 SN10 1JD

Solicitors Stone King LLP
 16 St John's lane
 London
 EC1M 4BS

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust operates an academy for pupils aged 11 to 16 in the Vale of Pewsey. It has a pupil capacity of 535 and had a roll of 305 in the school census on 18 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Pewsey Vale School are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trade Union facility time

There are no Trade Union representatives. As such no time has been required in the year.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

- Up to 6 Trustees who are appointed by Members.
- Between 2 and 5 Parent Trustees who are elected by Parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time they are elected.
- The Trustees may appoint up to 3 co opted trustees.
- Up to 4 Staff Trustees, comprising 2 teachers and 2 members of the Senior Leadership Team appointed by Trustee Body.
- The Headteacher who shall be treated for all purposes as being an ex officio Trustee.

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

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

The training and induction provided for new Trustees will depend upon their existing experience. It will always include a tour of the Academy and a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

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

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

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

The Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The SLT comprises the Headteacher, Deputy and Assistant Headteachers, Extended Leader KS3 and the Bursar. The SLT implements the policies laid down by the Trustees and reports back to them on performance. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

There are three committees and a working group as follows:

- **The Chairs Committee** – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing and for co ordinating the activities of each committee to ensure continued development, strategic planning and sound management of the Academy through the committees. It is also responsible for input into the Academy Development Plan, Board of Trustees objectives, assessment and management of risk, determining the schedule for policy reviews and for setting the agenda for the next Board of Trustees meeting.
- **The Finance and Facilities Committee** – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It is also responsible for buildings and grounds and Health and Safety and also operates as the Audit Committee.
- **The Personnel and Standards Committee** – this meets at least three times a year to deal with all staffing issues and to monitor and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **The Marketing & Communications Working Group** – meets on an as required basis to improve the image of the school.

The Headteacher is the Accounting Officer.

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

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

The Trustees benchmark against pay levels in other Academies of a similar size.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Pewsey Vale School. There is a nascent Parent Teacher & Friends Associations associated with the Academy. The Academy has strong collaborative links with its feeder schools and with other secondary schools including through The Wessex Partnership.

Pewsey Vale School is part of the Bitterne Park Teaching Alliance. Through this we recruit teachers who train with us. We also benefit from free professional development opportunities and sharing best practice with the Alliance.

We have been further developing our links with Marlborough College. This will offer aspirational opportunities for our students and more collaborative work between the two educational establishments.

In addition, Pewsey Vale School has developed links with Compass for Life who support our students and staff with aspirations, leadership skills and greater outward facing opportunities. An Assistant Head Teacher works with this organisation 2 times per week.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Pewsey Vale School to provide free education and care for pupils of different abilities between the ages of 11 and 16.

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

- To continue to raise the standard of educational attainment and achievement of all students.
- To provide a broad and balanced curriculum, including extra curricular activities.
- To ensure that every child enjoys high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To maximise the number of students who achieve five 4 - 9 in their studies (or equivalent).
- To develop trainee teachers.
- To comply with all appropriate statutory and curriculum requirements.
- To ensure the Health and Safety of everyone who uses the school.
- To develop the Academy's capacity to manage change.
- To maintain close links with partners, the local community, industry and commerce.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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

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

Objectives, Strategies and Activities

Key priorities are contained in our Academy Development Plan. Improvement focuses identified include:

Priority 1: To improve outcomes so that all groups of pupils make good progress and are above the national average.

Objectives:

- Continue to increase headline measures and further reduce the gap between school and national attainment.
- Reduce the Disadvantaged Pupil gap (PVS DP against national non-DP)
- Improve rates of progress in all year groups across the curriculum.
- Continue to improve outcomes in underperforming subjects.

Priority 2: To continue to improve the quality of learning, teaching & assessment.

Objectives:

- To utilise a variety of pedagogical strategies to challenge and support learning.
- Consistently apply the school's assessment and feedback policy so that students understand exactly what to do in order to improve their work.
- To rigorously monitor the quality of L&T and implement necessary intervention.
- Implement a focussed & personalised programme of CPD to improve T&L.

Priority 3: To further develop the quality of leadership and management.

Objectives:

- Implement a whole-school literacy strategy across the curriculum.
- Increase accountability of leaders and managers for their curriculum areas and responsibilities.
- Implement more forensic MER systems to improve L&T and outcomes.
- Embed systems to improve the effectiveness of SEND teaching within the classroom.

Priority 4: To increase student numbers and build a healthy financial position.

Objectives:

- Increase the number of primary schools PVS liaises with.
- Improve the marketing and publicity of PVS through a variety of mediums.
- Increase outward-facing activities in the local & wider community.
- Further increase extra-curricular opportunities for our students.
- Actively investigate Multi Academy Trust / Partnership opportunities

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

The Academy is in its seventh year of operation and the total number of students in the year ended 31 August 2019 was 305.

In 2019 our GCSE results were:

Basics 4+	72%
Basics 5+	40%
Progress 8	-0.52 provisional

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

To ensure that standards are continually monitored and improved, the Academy operates a comprehensive Monitoring and Evaluation Report (MER) programme which includes subject reviews, termly lesson observations and monitoring of key data such as attendance, exclusions and displacements. The MER report also includes student interviews which identify positive changes and further areas for improvement. The Head Teacher meets with Subject Leaders to analyse GCSE performance and identify strategies for further improvement and to agree department improvement plans and budgets. An annual programme of department reviews undertaken by the Senior Leadership Team and other senior teachers supports department and school improvement.

The last full OFSTED inspection was in June 2019, when the school was graded as 'Requires Improvement'. The report was a fair reflection of where the school is on its 5-year journey and reported favourably on the positive impact that the new Head Teacher has had.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the Department of Education (DfE) via the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019 the Academy received total income of £2,411,924 which consisted of grant funding from the DfE of £2,097,122 and other incoming resources of £314,802. The total expenditure for the year was £2,279,672.

At 31 August 2019 the net book value of fixed assets was £4,655,265 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the statement of financial activities with details in Note 21 to the financial statements.

Policies reviewed and updated included Fraud, Investment of cash balances, Capital Purchase Accounting, Charges and Lettings, Asset Management and Insurance.

Reserves Policy

It is the Trustee's objective to maintain a structure of prudent financial management. The Trustees aim to carry forward a sufficient amount to allow for fluctuations in future funding or unexpected expenditure, whilst ensuring that current year funding is expended to maximise provision of education.

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

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

The Trustees have determined that the appropriate level of reserves available for educational activities should generally be approximately £150K (in order to provide sufficient working capital to cover delays between spending and receipt of grants and a cushion to deal with unexpected emergencies such as urgent maintenance) but may be higher depending for instance on projected levels of income. Total reserves (unrestricted plus General Annual Grant, including school fund) of the Academy at 31 August 2019 amounted to £156,020.

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

Principal Risks And Uncertainties

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

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

Financial - the Academy has total reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This poses a major but unlikely risk.

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

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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

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

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

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

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

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

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 20 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

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

Full details of our plans for the future are given in our Academy Development Plan, which is available on request.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 6 December 2019 and signed on its behalf by:



T Richards
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
B A Reeder	6	6
J M Del Mar	4	6
C F Dalrymple	5	6
A J T MacAuslan	5	6
T L Richards, Chair of Trustees	6	6
E Goodman	3	6
J Barclay, Vice Chair	6	6
T A Haig	5	6
L J Thomson	6	6
T Robinson, Assistant Headteacher	5	6
N Pritchard, Headteacher	6	6
A Dang	4	6
D Smith	4	6

The Governing Body is made up mostly of people independent of the school, but it also includes the Head (who is an "ex officio" Governor), parent Governors and a staff Governor. All Governors are volunteers, with the exception of the Head and any staff Governors, and all dedicate their time and efforts into providing a thriving school for your children.

The role of the Governing Body is:

- Ensuring clarity of vision, ethos and strategic direction
- Holding the Head Teacher and Senior Leadership Team to account for the educational performance of the school and its pupils and the delivery, in line with the school's ethos, of the agreed strategy to achieve the vision
- Promoting the personal development and wellbeing of students and staff
- Overseeing the financial performance of the school and making sure its money is well-spent.

The Governing Body has three committees to which some of its functions are delegated: the Strategic Group, Personnel & Standards and Finance & Facilities. These committees also meet every term (six times a year), prior to each Full Governing Body Meeting. The minutes from the three Committees are documented and discussed at the Full Governing Body meetings.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Strategic Group is comprised of the Chairs of the other two committees, the Chair of Governors, the Vice Chair of Governors, and the Head Teacher and meets prior to the Full Governing Body meetings. The group is focussed on school development and strategic direction.

The Personnel & Standards Committee oversees the curriculum and its provision in the school. It also monitors personnel matters. One of its tasks is to ensure consistent high quality teaching throughout the school, allowing pupils to make excellent progress during their time here.

Detailed financial monitoring and challenge takes place in the Finance and Facilities Committee. It reports to the Governing Body on the financial performance of the school, recommends school budgets, and ensures the school's finances are regularly monitored and that money is spent sensibly and in a way that provides good value.

The performance of the Head Teacher is scrutinised by a panel of three members of the Governing Body in conjunction with our School Improvement Partner. Educational performance and personal development targets are set for the Head to help drive the process of school improvement. Regular assessments of the quality of teaching are undertaken by the Head Teacher and Senior Leadership Team.

At regular intervals the Head Teacher or members of the Senior Leadership Team present the Governing Body and Committees with detailed reports, which include information on attendance, behaviour, pupil progress and attainment data, and significant news.

We link individual Governors to subjects and Governors are encouraged to visit the school regularly to gain wider knowledge of how the curriculum is taught. Individual Governors also have specific responsibilities for: Special Educational Needs, Pupil Premium, Safeguarding and Health & Safety. Governors undertake a wide range of training to ensure they are kept up-to-date with changes in education and we have carried out a skills audit within the Governing Body to make sure the knowledge and professional background of our members is being used effectively.

The Finance and Facilities Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receipts of reports from Wiltshire Council and drafting the annual budget including setting staffing levels. It is also responsible for building grounds and Health and Safety.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Richards	5	6
C Dalrymple	5	6
N Pritchard	6	6
J Macauslan	6	6
B Reeder	6	6
T Robinson	4	6
T A Haig	5	6
D Clarke	6	6

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- The Finance and Facilities Committee meets 6 times per academic year and undertakes a stringent review of the school accounts whilst monitoring income and expenditure.
- External Auditors are consulted on an annual basis to review the school accounts at the end of each year.
- Focused teaching resources have been appointed in key subject areas.
- The IT contractor and staffing structure have been reviewed.

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 Pewsey Vale School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a Member of the Accounting and Budget support team from Wiltshire Council to carry out a programme of internal checks.

During the academic year 2018/19 three visits from the Financial Controls and Assurance Service of Wiltshire Council took place. The Trustees reviewed the accounting systems via regular monitoring of the school budget at six meetings of the Finance & Facilities Committee. Regular communication took place between the Bursar and Chair of the Finance & Facilities Committee. No matters of significance were identified.

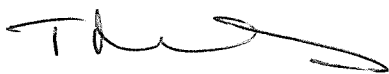
Review of effectiveness

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

- the Internal checks;
- 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.

Approved by order of the members of the Board of Trustees on 16 December 2019 and signed on their behalf by:



T Richards
Chair of Trustees



N Pritchard
Accounting Officer

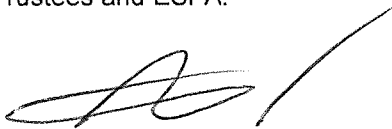
**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



N Pritchard

Accounting Officer

Date: 16 December 2019

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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

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

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

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

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

16 December 2019



T Richards
Chair of Trustees

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEWSEY VALE SCHOOL

Opinion

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEWSEY VALE SCHOOL (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' 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 Trustees' 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 PEWSEY VALE SCHOOL (CONTINUED)

Responsibilities of Trustees

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

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

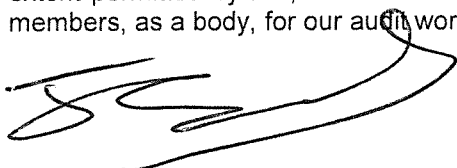
Auditors' responsibilities for the audit of the financial statements

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.



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 18/02/19

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEWSEY
VALE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated [enter date here] 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 Pewsey Vale 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 Pewsey Vale School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Pewsey Vale 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 Pewsey Vale School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Pewsey Vale School's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

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

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

**PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Conclusion

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



Joseph Scaife FCA DChA (Reporting Accountant)

**Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT**

Date:

18/12/19

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	13,550	405,948	-	419,498	86,786
Charitable activities		76,049	1,868,769	-	1,944,818	2,141,038
Other trading activities		8,326	39,071	-	47,397	42,654
Investments	6	211	-	-	211	389
Total income		98,136	2,313,788	-	2,411,924	2,270,867
Expenditure on:						
Raising funds		-	19,191	-	19,191	50,881
Charitable activities		56,571	2,087,071	116,839	2,260,481	2,421,066
Total expenditure		56,571	2,106,262	116,839	2,279,672	2,471,947
Net income/ (expenditure)		41,565	207,526	(116,839)	132,252	(201,080)
Transfers between funds	17	-	(332,049)	332,049	-	-
Net movement in funds before other recognised gains/(losses)		41,565	(124,523)	215,210	132,252	(201,080)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(276,000)	-	(276,000)	231,000
Net movement in funds		41,565	(400,523)	215,210	(143,748)	29,920
Reconciliation of funds:						
Total funds brought forward		109,710	(197,732)	4,440,055	4,352,033	4,322,113
Net movement in funds		41,565	(400,523)	215,210	(143,748)	29,920
Total funds carried forward		151,275	(598,255)	4,655,265	4,208,285	4,352,033

The Statement of Financial Activities includes all gains and losses recognised in the year.

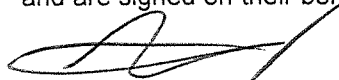
The notes on pages 24 to 44 form part of these financial statements.

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07662809

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	4,655,265	4,440,055
		<u>4,655,265</u>	<u>4,440,055</u>
Current assets			
Debtors	14	142,361	103,784
Cash at bank and in hand		236,470	232,746
		<u>378,831</u>	<u>336,530</u>
Creditors: amounts falling due within one year	15	(222,811)	(148,552)
Net current assets		<u>4,811,285</u>	<u>4,628,033</u>
Total assets less current liabilities		<u>4,811,285</u>	<u>4,628,033</u>
Defined benefit pension scheme liability	22	(603,000)	(276,000)
Total net assets		<u><u>4,208,285</u></u>	<u><u>4,352,033</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	4,655,265	4,440,055
Restricted income funds	17	4,745	78,268
		<u>4,660,010</u>	<u>4,518,323</u>
Restricted funds excluding pension asset	17	4,660,010	4,518,323
Pension reserve	17	(603,000)	(276,000)
Total restricted funds	17	<u>4,057,010</u>	<u>4,242,323</u>
Unrestricted income funds	17	<u>151,275</u>	<u>109,710</u>
Total funds		<u><u>4,208,285</u></u>	<u><u>4,352,033</u></u>

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



N Pritchard
Accounting Officer



T Richards
Chair of Trustees

16 December
2019

The notes on pages 24 to 44 form part of these financial statements.

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	335,562	(20,829)
Cash flows from investing activities	20	(331,838)	389
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		3,724	(20,440)
Cash and cash equivalents at the beginning of the year		232,746	253,186
Cash and cash equivalents at the end of the year	21	<u>236,470</u>	<u>232,746</u>

The notes on pages 24 to 44 form part of these financial statements

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

1. Accounting policies

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

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.

Pewsey Vale School meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

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.

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

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 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 TANGIBLE FIXED ASSETS

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	- Straight line over 50 years
Freehold land	- Not depreciated
Freehold improvements	- Straight line over 30 years
Plant and machinery	- Straight line over 10 years
Computer equipment	- Straight line over 3 years
Motor vehicles	- Straight line over 8 years

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.

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

1. Accounting policies (continued)

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 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.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.11 OPERATING LEASES

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

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

1. Accounting policies (continued)

1.12 PENSIONS

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

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

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

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

1.13 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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 judgement:

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	13,550	61,170	74,720	86,786
Capital Grants	-	344,778	344,778	-
	<u>13,550</u>	<u>405,948</u>	<u>419,498</u>	<u>86,786</u>
Total 2018	<u>24,621</u>	<u>62,165</u>	<u>86,786</u>	

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

4. Funding for the Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	1,661,734	1,661,734	1,635,918
Other DfE/ESFA grants	-	90,610	90,610	306,512
	-	1,752,344	1,752,344	1,942,430
Other Government grants				
Other government grants: non capital	-	116,425	116,425	120,711
	-	116,425	116,425	120,711
Other funding				
Internal catering income	46,213	-	46,213	47,519
Sales to students	5,311	-	5,311	6,156
Other	24,525	-	24,525	24,222
	76,049	-	76,049	77,897
	76,049	1,868,769	1,944,818	2,141,038
Total 2018	77,897	2,063,141	2,141,038	

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	8,062	-	8,062	6,026
Catering	-	39,071	39,071	36,482
Exam fees	222	-	222	146
Other	42	-	42	-
	8,326	39,071	47,397	42,654
Total 2018	6,172	36,482	42,654	

PEWSEY VALE SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	211	211	389

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	19,191	-	-	19,191	50,881
Education:					
Direct costs	1,309,362	95,583	135,049	1,539,994	1,513,600
Allocated support costs	291,185	211,423	217,879	720,487	907,466
	<u>1,619,738</u>	<u>307,006</u>	<u>352,928</u>	<u>2,279,672</u>	<u>2,471,947</u>
Total 2018	<u>1,630,699</u>	<u>411,540</u>	<u>429,708</u>	<u>2,471,947</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	1,539,994	720,487	2,260,481	2,421,066
Total 2018	<u>1,513,600</u>	<u>907,466</u>	<u>2,421,066</u>	

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension income	3,000	5,000
Staff costs	1,309,362	1,278,700
Depreciation	95,583	86,810
Educational supplies	27,671	32,529
Examination fees	22,054	24,355
Staff development	2,376	2,851
Other costs	79,948	60,413
Supply teachers	-	22,942
	<u>1,539,994</u>	<u>1,513,600</u>

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension income	5,000	7,000
Staff costs	291,185	330,663
Depreciation	21,256	29,378
Recruitment and support	4,421	15,364
Maintenance of premises and equipment	132,647	264,616
Cleaning	2,740	2,365
Rent and rates	16,614	18,168
Energy costs	35,722	43,788
Insurance	6,460	6,360
Security and transport	5,935	10,203
Catering	57,297	22,682
Technology costs	94,644	95,609
Office overheads	12,593	22,997
Legal and professional	26,223	30,448
Governance costs	7,750	7,825
	<u>720,487</u>	<u>907,466</u>

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,115	3,024
Depreciation of tangible fixed assets	116,839	116,189
Fees paid to auditors for:		
- audit	5,800	5,475
- other services	1,950	2,150
	<u>5,800</u>	<u>5,475</u>
	<u>116,839</u>	<u>116,189</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,241,395	1,238,155
Social security costs	112,700	110,987
Pension costs	265,643	281,557
	<u>1,619,738</u>	<u>1,630,699</u>
Agency staff costs	-	22,942
	<u>1,619,738</u>	<u>1,653,641</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	21	22
Education support staff	31	32
Management	6	6
	<u>58</u>	<u>60</u>

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

10. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	17	19
Education support staff	16	16
Management	5	6
	38	41
	38	41

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 £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	1	1
	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £405,618 (2018: £380,389).

11. Trustees' remuneration and expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not received any payments, other than expenses, from the Academy in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits were as follows: N Pritchard: Remuneration £70,000 - £80,000 (2018: £70,000 - £80,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000); K Protheroe: Remuneration £Nil (2018: £25,000 - £30,000), Employer's pension contributions £Nil (2018: £5,000 - £10,000); T Robinson: Remuneration £40,000 - £50,000 (2018: £40,000 - £50,000), Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000).

During the year ended 31 August 2019, expenses totalling £4,529 were reimbursed or paid directly to 3 Trustees (2018 - £NIL).

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12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold land and property £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	4,810,502	279,929	127,161	18,000	5,235,592
Additions	323,523	8,526	-	-	332,049
At 31 August 2019	<u>5,134,025</u>	<u>288,455</u>	<u>127,161</u>	<u>18,000</u>	<u>5,567,641</u>
Depreciation					
At 1 September 2018	562,119	101,309	117,934	14,175	795,537
Charge for the year	79,334	28,252	8,128	1,125	116,839
At 31 August 2019	<u>641,453</u>	<u>129,561</u>	<u>126,062</u>	<u>15,300</u>	<u>912,376</u>
Net book value					
At 31 August 2019	<u>4,492,572</u>	<u>158,894</u>	<u>1,099</u>	<u>2,700</u>	<u>4,655,265</u>
At 31 August 2018	<u>4,248,383</u>	<u>178,620</u>	<u>9,227</u>	<u>3,825</u>	<u>4,440,055</u>

Included in freehold land and property above is freehold land of £888,735 which is not depreciated.

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	5,217	1,990
VAT recoverable	36,266	24,380
Prepayments and accrued income	100,878	77,414
	<u>142,361</u>	<u>103,784</u>

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FOR THE YEAR ENDED 31 AUGUST 2019

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	105,036
Other taxation and social security	28,607	26,726
Other creditors	41,648	3,699
Accruals and deferred income	152,556	13,091
	<u>222,811</u>	<u>148,552</u>
	2019 £	2018 £
Deferred income at 1 September 2018	2,668	-
Resources deferred during the year	7,704	2,668
Amounts released from previous periods	(2,668)	-
	<u>7,704</u>	<u>2,668</u>

16. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	236,470	232,746
Financial assets that are debt instruments measured at amortised cost	84,077	38,979
	<u>320,547</u>	<u>271,725</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(186,500)	(119,158)

Financial assets measured at fair value comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

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

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	109,710	98,136	(56,571)	-	-	151,275
Restricted general funds						
General Annual Grant (GAG)	2,873	1,661,734	(1,644,788)	(15,074)	-	4,745
Rates	-	9,022	(9,022)	-	-	-
Disadvantaged Pupils	-	67,235	(67,235)	-	-	-
Young People's Support Service	-	31,839	(31,839)	-	-	-
CIF Grant	59,717	316,975	(59,717)	(316,975)	-	-
Other restricted funds	15,678	226,983	(242,661)	-	-	-
Pension reserve	(276,000)	-	(51,000)	-	(276,000)	(603,000)
	<u>(197,732)</u>	<u>2,313,788</u>	<u>(2,106,262)</u>	<u>(332,049)</u>	<u>(276,000)</u>	<u>(598,255)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	4,259,176	-	(78,435)	-	-	4,180,741
Fixed assets purchased from GAG and other restricted funds	180,879	-	(38,404)	332,049	-	474,524
	<u>4,440,055</u>	<u>-</u>	<u>(116,839)</u>	<u>332,049</u>	<u>-</u>	<u>4,655,265</u>
Total Restricted funds	<u>4,242,323</u>	<u>2,313,788</u>	<u>(2,223,101)</u>	<u>-</u>	<u>(276,000)</u>	<u>4,057,010</u>
Total funds	<u><u>4,352,033</u></u>	<u><u>2,411,924</u></u>	<u><u>(2,279,672)</u></u>	<u><u>-</u></u>	<u><u>(276,000)</u></u>	<u><u>4,208,285</u></u>

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

17. Statement of funds (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school.

Disadvantaged Pupils funding represents amounts received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Young People's Support Service (YPSS) represents income from the local authority to improve the social and educational inclusion of vulnerable students.

Enhanced Learning represents amounts received from the local authority for improving the communication and learning of SEN students.

CIF funding represents amounts received to support the changing rooms and toilet refurbishments.

Rates relief represents funding received from the ESFA for the reimbursement of business rates cost.

Other restricted funds represent amounts received from parents for school trips and other small grants.

The pension reserve represents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Wiltshire Council on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds represents amounts spent on fixed assets from GAG funding and other grants received from the ESFA together with donations from Pewsey Vale Coaches and The Savoy Trust.

OTHER INFORMATION

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

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

17. Statement of funds (continued)

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 Funds	97,090	145,561	(132,941)	-	109,710
Restricted general funds					
General Annual Grant (GAG)	104,780	1,635,918	(1,737,825)	-	2,873
Rates	-	8,825	(8,825)	-	-
Disadvantaged Pupils	-	67,760	(67,760)	-	-
Young People's Support Service	-	30,778	(30,778)	-	-
CIF Grant	-	260,139	(200,422)	-	59,717
Other restricted funds	-	121,886	(106,208)	-	15,678
Pension reserve	(436,000)	-	(71,000)	231,000	(276,000)
	<u>(331,220)</u>	<u>2,125,306</u>	<u>(2,222,818)</u>	<u>231,000</u>	<u>(197,732)</u>
Restricted fixed asset funds					
Fixed assets transferred on conversion	4,337,611	-	(78,435)	-	4,259,176
Fixed assets purchased from GAG and other restricted funds	218,632	-	(37,753)	-	180,879
	<u>4,556,243</u>	<u>-</u>	<u>(116,188)</u>	<u>-</u>	<u>4,440,055</u>
Total Restricted funds	<u>4,225,023</u>	<u>2,125,306</u>	<u>(2,339,006)</u>	<u>231,000</u>	<u>4,242,323</u>
Total funds	<u><u>4,322,113</u></u>	<u><u>2,270,867</u></u>	<u><u>(2,471,947)</u></u>	<u><u>231,000</u></u>	<u><u>4,352,033</u></u>

NOTES TO THE FINANCIAL STATEMENTS
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18. 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	-	-	4,655,265	4,655,265
Current assets	151,275	227,556	-	378,831
Creditors due within one year	-	(222,811)	-	(222,811)
Provisions for liabilities and charges	-	(603,000)	-	(603,000)
Total	<u>151,275</u>	<u>(598,255)</u>	<u>4,655,265</u>	<u>4,208,285</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,440,055	4,440,055
Current assets	109,710	226,820	-	336,530
Creditors due within one year	-	(148,552)	-	(148,552)
Pension scheme liability	-	(276,000)	-	(276,000)
Total	<u>109,710</u>	<u>(197,732)</u>	<u>4,440,055</u>	<u>4,352,033</u>

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

19. 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)	132,252	(201,080)
Adjustments for:		
Depreciation	116,839	116,189
Interest receivable	(211)	(389)
Defined benefit pension scheme cost less contributions payable	36,000	59,000
Defined benefit pension scheme finance cost	8,000	12,000
Defined benefit pension scheme past service cost	7,000	-
Decrease in debtors	57,896	4,608
Decrease in creditors	(22,214)	(11,157)
Net cash provided by/(used in) operating activities	335,562	(20,829)

20. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(332,049)	-
Interest received	211	389
Net cash (used in)/provided by investing activities	(331,838)	389

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	236,470	232,746
Total cash and cash equivalents	236,470	232,746

22. Pension commitments

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

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

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

22. Pension commitments (continued)

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £143,482 (2018: £138,485).

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

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

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

22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £94,000 (2018: £104,000), of which employer's contributions totalled £77,000 (2018: £84,000) and employees' contributions totalled £17,000 (2018: £20,000). The agreed contribution rates for future years are 5.5 per cent for employers and 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.

Principal actuarial assumptions

	2019 %	2018 %
Discount rate for scheme liabilities	1.80 %	2.80 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

Sensitivity analysis

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,338,000	1,208,420
Gilts	264,000	238,280
	245,000	221,260
Cash and other liquid assets	38,000	34,040
Total market value of assets	1,885,000	1,702,000

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

22. Pension commitments (continued)

The actual return on scheme assets was £121,000 (2018: £94,000).

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

	2019 £	2018 £
Current service cost	(113,000)	(143,000)
Past service cost	(7,000)	-
Interest income	49,000	38,000
Interest cost	(57,000)	(50,000)
Total amount recognised in the Statement of Financial Activities	(128,000)	(155,000)

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

	2019 £	2018 £
At 1 September	1,978,000	1,933,000
Current service cost	113,000	143,000
Interest cost	57,000	50,000
Employee contributions	17,000	20,000
Actuarial losses/(gains)	342,000	(137,000)
Past service costs	7,000	-
Benefits paid	(26,000)	(31,000)
At 31 August	2,488,000	1,978,000

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

	2019 £	2018 £
At 1 September	(1,702,000)	(1,497,000)
Return on plan assets (excluding net interest on the net defined pension liability)	49,000	38,000
Actuarial gains	66,000	94,000
Employer contributions	77,000	84,000
Employee contributions	17,000	20,000
Benefits Paid	(26,000)	(31,000)
At 31 August	1,885,000	1,702,000

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

23. 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	4,414	2,115
Later than 1 year and not later than 5 years	7,586	4,718
	<u>12,000</u>	<u>6,833</u>

24. 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.

25. 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 trustee 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.

No related party transactions took place in the period of account other than certain Trustee's remuneration and expenses already disclosed in note 11.