

Registration number: 07992440

Stramongate School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Stables Thompson & Briscoe
Chartered Accountants & Registered Auditors
Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Stramongate School

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Reference and Administrative Details

Members	John Dyer The Reverend Jean Radley Julie Armitstead
Governors	Kerrie Bumby, Staff (resigned 31 December 2018) Sharron Butler, Staff (appointed 25 March 2019) Gill Curry (appointed 9 September 2019) Elaine Gilpin, Staff Shirley King, Parent Clive Natrass, Community (appointed 9 September 2019) Mrs Victoria Pimblett, Chair Michael Poole, Headteacher The Reverend Jean Radley, Vice-Chair Steve Randles, Parent (resigned 23 September 2019) Evan Shanks, Parent (resigned 24 October 2018) Martin Shufflebottom, Vice-Chair (resigned 7 May 2019) Kate Skellern, Staff (resigned 19 July 2019) Mark Smith, Community (appointed 25 March 2019) Robert Timms, Parent
Company Secretary	Elaine Gilpin
Head Teacher	Michael Poole
Senior Management Team	Michael Poole, Headteacher Elaine Gilpin, Director of finance and administration
Principal and Registered Office	Blackhall Road Kendal Cumbria LA9 4BT
Company Registration Number	07992440
Auditors	Stables Thompson & Briscoe Chartered Accountants & Registered Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX 10 August 2018

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Reference and Administrative Details (continued)

Bankers	Lloyds Bank 5-6 King Street Penrith Cumbria CA11 7AP
Solicitors	Hibberts Solicitors 144 Nantwich Road Crewe CW2 6BG

Stramongate School

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 purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in central Kendal. It has a pupil capacity of 420 and had a roll of 365 in the school census on 16 May 2019.

Structure, governance and management

Constitution

The Academy Trust 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 trust. The company registration number is 07992440.

The governors act as the trustees for the charitable activities of Stramongate School and are also the directors of the charitable company for the purposes of company law. The charitable company operates as Stramongate School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Governing Board, under the terms of the Articles of Association. The Board comprises up to four community governors; four staff governors, provided that the total number of Governors employed by the Academy Trust does not exceed one third of the total number of Governors; four parent governors and up to two co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by the Members in order to fulfil a particular role/project on the Board.

Parent, Community and Staff governors are recruited by the Members, with regard to skill set needed by the Board.

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Policies and procedures adopted for the induction and training of Trustees

All new governors have an induction meeting, usually with the Chair of Governors and Headteacher, with the full training and induction process depending on their existing experiences.

Details of governor training courses are made available to all governors; the Academy Trust subscribes to an online training platform for governors and additional training courses are available locally, through both the Local Authority and third party providers. In-house training occurs annually; the content of such training is determined by any areas of weakness identified by an annual skills audit.

Governors have access to all policies, improvement plans, minutes and other relevant documentation that they need to undertake their role. For a minimum of the first twelve months, new governors are also requested to attend all meetings, of all committees, to allow them to develop a full understanding of the Governing Board's working practices.

A representative from the Governing Board also attends local governor cluster meetings, to discuss common challenges and share best practice, and feeds back to the Board.

Organisational structure

The Academy Trust's management structure consists of three levels: Members, Governing Board and the Senior Business Management Team - comprising of the Headteacher and School Business Manager.

The Members ensure that the Academy Trust meets with its stated aims and expected standards, appoint members to the Governing Board and ensure that the audited accounts are logged with Companies House annually.

The Governing Board is responsible for setting general policy, adopting an annual School Development Plan and budget, monitoring the performance of the Academy Trust by use of budgets and key performance data and making major, strategic decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Senior Business Management Team controls the day-to-day running of the Academy Trust, implementing the policies laid down by the Governing Board and reporting back to them.

The Senior Leadership Team of the Academy supports the Senior Business Management Team, in particular within teaching and learning.

Arrangements for setting pay and remuneration of key management personnel

Headteacher pay and performance is reviewed annually by an external consultant who, in turn, advises and makes recommendations to the Governing Board Pay and Performance Management Committee regarding performance targets and pay progression.

School Business Manager pay and performance is managed by the Headteacher, under advice from specialist advisors, Capita HR, using Single Status Pay and Performance guidelines. Pay and progression is recommended by the Headteacher and approved by the Governing Board Pay and Performance Committee.

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Connected organisations, including related party relationships

No related parties control nor hold significant influence over the decisions or operations of the Academy Trust. The Academy Trust has no sponsors.

From 1 September 2019, the operation of Stramongate Nursery, which provides nursery education to children aged between 2 and 4 years old as well as wrap-around childcare, in the form of an afterschool club, for pupils of Stramongate School, out of premises hired from Stramongate School, was transferred from an independent company, QKS Meadowview Limited, to a new Charitable Incorporated Organisation ("CIO"), Stramongate Nursery. Mr M L Poole, the Headteacher of Stramongate School, is one of three trustees of Stramongate Nursery CIO.

Objectives and activities

Objects and aims

The principle object and activity of the charitable company is the operation of Stramongate School, to provide education for pupils aged 4 to 11.

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives, strategies and activities

The main objectives of the Academy Trust are summarised below:

- To have a high standard of academic achievement, extra-curricular opportunities and pastoral support for the children in the Trust's care;
- To raise standards for all of the Trust's children towards each child achieving their full potential, whilst ensuring their wider needs are met;
- To motivate successful learners who enjoy learning;
- To develop confident individuals who are able to live safe, healthy and fulfilled lives;
- To develop responsible citizens who make a positive contribution to society;
- To provide value for money; and
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The strategies implemented to enable the Academy Trust to achieve these objectives, are:

- The use of high quality teaching processes, which are transparent and inform all subsequent actions;
- The secure use of data and tracking, to measure progress and inform actions and interventions;
- Monitoring and management of school attendance;
- Offering a variety of inclusive extra-curricular opportunities;
- Providing the children progressively more challenging outdoor educational experiences;
- Use of external, independent third-party experts to validate/challenge the Trust's own assessment of key performance indicators; and
- Use of benchmarking the Trust's performance against those nationally and against 'similar' schools in terms of a range of key areas including: Standards, Structure and Finance.

The Academy Trust applies the following criteria to measure its success. Ensuring that:

- Pupils are well cared for and know how to manage risks and make good decisions for their own and others' well-being;
- Pupil cohort attainment in the Early Years, Year 1 Phonics and KS1 & KS2 SATs are at least in line with national averages;
- Pupil progress is at least in line with Analyse School Performance (ASP) averages and Fischer Family Trust (FFT) estimates and verified via an independent third party;
- Positive outcomes from Ofsted inspections are gained; and
- Feedback on the Trust's effectiveness is sought from stakeholders, both informally and through bi-annual attitudinal surveys generated, collated and benchmarked against nation datasets via an independent third party.

Public benefit

The Trustees confirm that they have complied with their duties under Section 4 of the Charities Act 2011 to have due regard to the guidance on public benefit provided by the Charity Commission. The Academy Trust provides educational services to children in the local area.

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

The Academy Trust's main strategic objective is to raise standards of achievement and progress through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy Trust is teaching and learning and therefore its key focus is on the standards achieved by its pupils.

Key performance indicators

Ofsted inspections

In its most recent inspection (June 2016), Ofsted concluded that Stramongate School remains a 'Good' school where learning is fun; the environment is stimulating and displays show the curriculum is broad and balanced and meets the needs of the children who attend. Children are quite rightly proud of their school, where they enjoy coming and describe their teachers as 'simply the best', and their behaviour is impeccable.

Examination results

Examination results for the 2018-19 academic year were very pleasing on a number of measures:

Key			
GLD – Good Level of Development;	RWM – Reading, Writing and Maths combined;		
EXS – Expected;	EGPS – English Grammar, Punctuation and Spelling.		
GD – Greater Depth;			

EYFS	Number In Cohort	% GLD	
		School	National average
	44	61%	71%

Year 1 Phonics Screening	Number In Cohort	% Pass	
		School	National average
	52	89%	83%

KS1	Subject	EXE		GD	
		School	National average	School	National average
Number In Cohort	Reading	78%	75%	18%	26%
	Writing	67%	70%	10%	16%
	Mathematics	75%	76%	16%	27%
	RWM	68%	65%	15%	11%
	Science	84%	83%	N/A	N/A

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

KS2	Subject	Scaled score		EXE		GD	
		School	National average	School	National average	School	National average
Number In Cohort	Reading	106	104	83%	73%	27%	27%
60	Writing	N/A	N/A	87%	78%	25%	20%
	Mathematics	107	105	90%	79%	28%	27%
	RWM	N/A	N/A	75%	65%	15%	11%
	Science	N/A	N/A	93%	83%	N/A	N/A
	EGPS	T108	106	92%	78%	38%	36%

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Commentary on standards on outturn

Key Stage 2 SATs results for the 2019 Year 6 cohort show that pupils achieved above those in schools nationally, with 75% of pupils achieving at least the Expected Standard in reading, writing and maths combined, compared to 65% nationally for 2019.

Performance against Fischer Family Trust estimates

Pupils' achievement has been consistent over time, and is well above Fischer Family Trust (Top 50%) estimates and frequently breaking into FFT (Top 25%).

To ensure that standards are continually raised, the Trust, Governors and Senior Leadership Team operate a robust quality assurance calendar which monitors the quality of teaching and learning and undertake rigorous reviews of attainment. Utilising Analyse School Performance (ASP) and Fischer Family Trust (FFT) data, and, analysing rates of pupil progress, paying particular regard to achievement on-entry and levels of progress secured against those achieved nationally and locally.

Pupil attendance data

Pupil attendance for the year to 31 August 2019 was 95.2%, which is in line with those achieved by primary schools nationally and the Trust's own target of 96%. The Governing Board review attendance termly and the Trust's Inclusion Manager works closely with the families of pupils with low attendance to help them overcome any obstacles to attending school regularly.

Going concern

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

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Financial review

The majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year to 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. During the year ended 31 August 2019, During the year ended 31 August 2019, expenditure on the restricted fund exceeded income by £77,402, before transfers and pension movement.

The Trust generates additional income through the hire of facilities, sale of meals and other items and running a Breakfast Club as well as receiving donations. This income is shown as unrestricted funds in the Statement of Financial Activities and is used to support the Trust's core educational provision as well as provide pupils with additional educational opportunities and experiences. During the year ended 31 August 2019, unrestricted income exceeded expenditure by £55,869, before transfers.

During the year to 31 August 2019, the Academy Trust generated an in-year surplus of £73,467 and, as at 31 August 2019, the Academy Trust had restricted general funds plus unrestricted funds, excluding capital and pension reserves, of £157,442.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Report by Charities (SORP 2015)', such grants are shown, prior to being spent, ring-fenced within the restricted general fund or, after being spent, 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 over the expected useful lives of the assets concerned. At 31 August 2019, the net book value of fixed assets was £1,661,586 and £6,733 of unspent capital grants was carried forward within the restricted general fund. The fixed assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Reserves policy

As at 31 August 2019, the Academy Trust had reserves of £786,761, this comprised of:

- The Restricted Income Fund of £25,035. This figure represents the amount of restricted funding received, including the General Annual Grant, less the amount spent. This figure includes £6,733 of unspent capital grants, it is expected that these will be spent in full in the year ended 31 August 2020;
- The Restricted Fixed Asset Fund of £1,661,586. This is the cost of the tangible and intangible assets held by the academy, net of depreciation and any provision for impairment. These funds could only be realised for use by the Academy through the sale of such assets;
- The Restricted Pension Fund of -£1,039,000. This is the pension deficit relating to the Academy. The Academy will continue to make pension contributions, as advised by the scheme actuary; and
- The Unrestricted Income Fund of £139,140. This is the excess of unrestricted income generated by the Academy over expenditure relating to unrestricted activities.

The Governing Board review the current and projected level of reserves on an annual basis, ensuring that it is adequate for the continued operation of the Trust, based on current and projected funding levels and educational policies. The current level of reserves is considered adequate by the Governing Board to meet short-term emergencies; and for cash-flow management, to ensure employees and suppliers can be paid.

A longer-term objective of the Governing Body is to increase the total level of restricted and unrestricted reserves to a level sufficient to enable the Academy Trust to meet one month's salaries and services costs.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Investment policy

The Governing Body ensures all monies are in the appropriate investment accounts at the bank. These are used to maintain good cash flow over the year. The Board do not consider it necessary to have a formal investment policy at this time.

Principal risks and uncertainties

The majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants calculated on the basis of pupil numbers. The key risk to the Trust is, therefore, fluctuation in pupil numbers. The number of pupils on roll has declined in recent years; the School had 365 pupils on roll in the School Census on 16 May 2019 and 335 in the School Census on 3 October 2019. The Governing Board are monitoring pupil numbers, and budgets, closely and have taken early actions to ensure that the Trust is able to achieve a balanced budget in future periods. With effect from 1 September 2019, the number of classes have been reduced from 14 to 13, with Years 3 and 4 moving from two Year 3 classes and two Year 4 classes to three combined Year 3 and 4 classes. Redundancies have also been made from the Teaching and Learning Support staff, resulting in the loss of 66 hours of additional classroom support from 1 September 2019.

Changes in government policy on school funding and allocations, such as the cessation of the Educational Services Grant (ESG), introduction of the National Funding Formula, or teachers' pay and remuneration, including changes in National Insurance and pension contribution rates, also pose potential risks to the Trust.

Following the 2018 revaluation of the Teachers' Pension Scheme, employer contributions have increased from 16.48% to 23.6% from 1 September 2019. Whilst the Government have announced a Teachers' Pension Employers Contribution Grant (TPECG) to help Schools fund this increase until 31 August 2020, there is uncertainty as to whether this funding will continue after this date. In the year to 31 August 2020, this grant will total £47,829 for the Academy Trust.

Similarly, the Teachers Pay Grant, provided to Schools to help towards the cost of the teachers' pay increases awarded from 1 September 2018 and 1 September 2019, has been confirmed, for Academies, to 31 August 2020 only. In the year to 31 August 2019, this grant accounted for £11,590 for the Academy Trust and in the year ending 31 August 2020 it will total £14,447. A further pay increase, averaging 2.75%, has been awarded from 1 September 2019, for which no additional funding has been announced, as yet.

However, further details are awaited in relation to recent announcements by the Government that an additional £14.4 billion of funding is to be made available to schools, from September 2020.

The Board keep themselves apprised of proposed changes to educational funding, policy and procedures, through subscribing to relevant publications and working with specialist advisors. Budgets and cash flows are monitored closely and early, prudent financial planning and continual management of the workforce is essential to ensure the Trust remains sustainable.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Fundraising

Friends of Stramongate School (FOSS), a registered charity which comprises staff, parents and carers of pupils at Stramongate School, undertake fundraising activities on behalf of the Trust; these include the sale of tea-towels, cake sales, pupil discos and a summer fair. These activities are run in conjunction with and overseen by the FOSS trustees who, following Charities Commission guidance, ensure compliance with relevant data protection and licensing legislation.

The Academy Trust does not, nor have any current plans to, work with any commercial partners or professional fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The Academy Trust's key objectives for the forthcoming year are to:

- Promote the Health and Well-being of pupils and staff;
- Develop reading across the School;
- Continue to develop and embed the School's Bespoke Curriculum offer;
- Continue to close the gap between disadvantaged pupils and others;
- Continue to develop Middle Leader's in Foundation subjects to have a greater impact on teaching, learning and assessment; and
- Continue to promote opportunities for extended writing.

Stramongate School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Funds held as Custodian Trustee on behalf of others

No funds are held by the Academy as custodian trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 18 November 2019 and signed on its behalf by:



Mrs Victoria Pimblett
Trustee

Stramongate School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Stramongate 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 Governing Body has delegated the day-to-day responsibility to Mr M L Poole, 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 Stramongate School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

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Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Kerrie Bumby	2	2
Sharron Butler	2	2
Elaine Gilpin	5	5
Shirley King	4	5
Mrs Victoria Pimblett	5	5
Michael Poole	5	5
The Reverend Jean Radley	5	5
Steve Randles	2	5
Martin Shufflebottom	3	4
Kate Skellern	3	4
Mark Smith	2	2
Robert Timms	5	5

Work of the Governing Board included approval of statutory policies, approval of the Trust accounts and budget, agreement on all constitutional and compliance matters, performance management of the Headteacher and staff performance overview. Also, discussing, agreeing and monitoring performance against the School Development Plan as well as approving and monitoring School activities, as necessary.

The Governing Board uses a wide range of third-party data to validate the information supplied by the Headteacher, e.g. Analyse School Performance (ASP), Fischer Family Trust, independent auditors, health and safety consultants and a Headteacher consultant as well as the Benchmarking Report Card and Schools Resource Management Self-Assessment Tool produced by Department for Education. The Governing Board has found information to be timely and accurate, and has questioned as relevant.

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Governance Statement (continued)

The Planning Committee is a sub-committee of the main Governing Board, its purpose is to:

- In conjunction with the Headteacher and Senior Leadership Team, identify key issues and needs and ensure their incorporation into the School Development Plan;
- Oversee and approve the School Development Plan for beyond the present financial and academic years;
- Agree any Ofsted actions at the appropriate time, for approval by the Full Governing Board;
- Identify and consider external issues affecting the School's long-term strategic development and to take appropriate action. This may include demographic or staffing issues, local development and initiatives from the Local Authority and DfE; and
- Consider the strategic issues concerning budgetary matters beyond the current financial year and to ensure that the School upholds best value principles.

Attendance at meetings during the year was as follows:

Trustee	Planning meetings attended	Out of a possible
Kerrie Bumby	1	1
Sharron Butler	1	1
Elaine Gilpin	3	3
Shirley King	0	3
Mrs Victoria Pimblett	1	3
Michael Poole	3	3
The Reverend Jean Radley	3	3
Steve Randles	0	3
Martin Shufflebottom	2	2
Kate Skellern	2	3
Mark Smith	1	1
Robert Timms	2	3

The Monitoring Committee is a sub-committee of the main Governing Board, its purpose is to review, monitor, evaluate and take appropriate action to deliver effective implementation of the School's aims in the current financial and academic year.

Attendance at meetings during the year was as follows:

Trustee	Monitoring meetings attended	Out of a possible
Kerrie Bumby	1	1
Sharron Butler	1	1
Elaine Gilpin	3	3

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Governance Statement (continued)

Shirley King	3	3
Mrs Victoria Pimblett	3	3
Michael Poole	3	3
The Reverend Jean Radley	2	3
Steve Randles	2	3
Martin Shufflebottom	1	2
Kate Skellern	3	3
Mark Smith	1	1
Robert Timms	1	3

The Pay and Performance Management Committee is a sub-committee of the main Governing Board and is responsible for setting pay and remuneration of key management personnel. The committee met once during the period and was attended by the Chair of Governors, Vice-Chair of Governors and the Chairs of the Planning and Monitoring Committees.

The Health and Safety Committee is a sub-committee of the main Governing Board and is responsible for overseeing the Academy Trust's compliance with its Health and Safety requirements. The Committee meets once a term and is attended by a representative from the Governing Body.

The Finance and Audit Committee is a sub-committee of the Governing Board, set up with effect from 1 September 2019. It is responsible for advising the Governing Board on the adequacy of the Academy Trust's financial and other controls and risk management arrangements, directing a programme of internal scrutiny and considering the results and quality of external audits.

Statement on governance and internal control

The Governing Board performed a self-evaluation of its effectiveness on 18 October 2019, using the Cumbria County Council Learning Improvement Service Governing Body Health Check. The outcomes of this review were positive, with the Governing Body considering itself as operating effectively in all areas, but with some individual governors identifying opportunities for further development. In conjunction with the annual skills audit, completed 9 September 2019, this will be used to direct future governor training. This review will be repeated annually.

Stramongate School

Governance Statement (continued)

Review of value for money

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

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

The Accounting Officer has delivered improved value for money during the year by both seeking opportunities to generate additional income, through:

- Generating additional income from Outreach meals provision by satisfying a demand for good quality meals and benefitting from the associated economies of scale;
- Using online systems to collect income from parents, including by Direct Debit, to improve cash flow by allowing bills to be settled outside of the school day and during holidays; and
- Assisting in the restructure of the on-site nursery provision, from a limited company to a charitable incorporated organisation, with effect from 1 September 2019, to help increase the future viability and profitability of the entity. The Trust will benefit from this via a profit-share arrangement;

The robust challenge of spending also continues, to ensure the reduction of duplication and waste and the realisation of any cost savings available. During the year under review, to this effect, the Trust:

- Utilised government procurement frameworks and nationally negotiated deals. With effect from 1 April 2019, the School joined the Energy for Schools framework operated by Crown Commercial Services;
- Used public sector procurement organisations for the purchasing of classroom supplies;
- Undertook a review of the Trust's water services contract. As a result of this, the Trust has changed provider to realised estimated savings of £510 per annum on water service charges;
- Undertook a restricted tender process in relation to the Trust's administrative photocopying, achieving cost savings;
- Worked in collaboration with other local Schools to jointly procure supplies and services at discounted prices; and
- Continued to work with the Schools' Buying Hub North West to receive guidance and advice on best practice.

In June 2019, the Trust's management engaged with an ESFA Resource Management Advisor to review the Trust's financial position and projections. The Resource Management Advisor identified that the Academy has a number of underlying financial pressures in relation to a forecast falling pupil roll over the next two to three year period, a relatively low level of funding per pupil and high average teaching staff salaries. Non-staffing expenditure levels were not considered to be excessive and, whilst there are always opportunities for additional cost savings, further opportunities, from cost-saving initiatives, were considered to be relatively limited. Consequently, the main focus of the review was on the opportunities for increasing income levels, awareness of potential risk areas which may impact on the financial position and the strategic financial planning process. The process was completed in October 2019, with the ESFA satisfied that the School has identified additional opportunities to generate further income and achieved a balanced budget position over the period of the three year financial forecast to 31 August 2022. The Trustees have received a copy of the ESFA Resource Management Advisor's Report and are considering the recommendations made.

Stramongate School

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust 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 Stramongate School for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Board has reviewed the key 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 Governing Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Board;
- regular reviews by the Monitoring Committee and, going forward, the Finance and Audit 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 Governing Board has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Stables Thompson and Briscoe, the external auditor, to perform additional checks.

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

- payroll systems;
- income systems;
- purchasing systems;
- fixed asset records; and
- control account and bank reconciliations.

On a bi-annual basis, Stables Thompson and Briscoe reports to the Governing Board, through the Monitoring Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

There were no material control or other issues reported by Stables Thompson & Briscoe to date.

Stramongate School

Governance Statement (continued)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the outcome of benchmarking exercises undertaken by the Trust's finance team and financial management and governance self-assessment; and
- the work of the executive managers within the academy trust 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 the Monitoring 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 Governing Body on 18 November 2019 and signed on its behalf by:



.....
Mrs Victoria Pimblett
Trustee



.....
Michael Poole
Accounting officer
Head Teacher

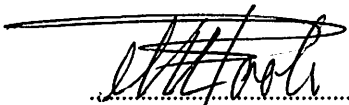
Stramongate School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Stramongate School I have considered my responsibility to notify the academy trust Governing Board 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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



Mr M L Poole
Accounting officer

18 November 2019

Stramongate School

Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Stramongate School Academy Trust and 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 Annual 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 18 November 2019 and signed on its behalf by:


.....
Mrs Victoria Pimblett
Trustee

Stramongate School

Independent Auditor's Report on the Financial Statements to the Members of Stramongate School

Opinion

We have audited the financial statements of Stramongate School (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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.

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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 auditor's report thereon. 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.

Stramongate School

Independent Auditor's Report on the Financial Statements to the Members of Stramongate School (continued)

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the Trustees 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.

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Stramongate School

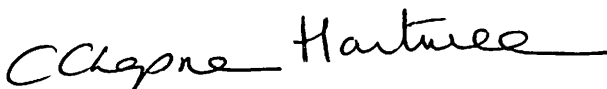
Independent Auditor's Report on the Financial Statements to the Members of Stramongate School (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy's Trustees, 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 trustees those matters we are required to state to them in an auditor's 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 Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Chloe Chapman-Hastwell ACA (Senior Statutory Auditor)
For and on behalf of Stables Thompson & Briscoe, Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 18/11/2019

Stramongate School

Independent Reporting Accountant's Report on Regularity to Stramongate School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 10 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stramongate School during the period 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 Stramongate School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Stramongate School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stramongate School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 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 from 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- We obtained information on the Academy's control environment and activities and considered whether these have complied with the Academies Accounts Direction and whether the activities conformed to the Academy Trust's framework of authorities.
- When testing expenditure, the authorisation was checked and the nature of the activity was confirmed as permissible within the Academy Trust's framework of authorities. A review was made of related parties and the register of business interests, which was used to identify any related party transactions.
- Formal representations were obtained from the governing body and the accounting officer, acknowledging their responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence was not available.

Stramongate School

Independent Reporting Accountant's Report on Regularity to Stramongate School and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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.



Chloe Chapman-Hastwell ACA

For and on behalf of Stables Thompson & Briscoe, Chartered Accountants

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

18 November 2019

Stramongate School

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	6,689	23,547	23,603	53,839
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	41,365	1,601,169	-	1,642,534
Other trading activities	4	77,902	-	-	77,902
Investments	5	115	-	-	115
Total		<u>126,071</u>	<u>1,624,716</u>	<u>23,603</u>	<u>1,774,390</u>
Expenditure on:					
Raising funds	6	1,143	-	-	1,143
<i>Charitable activities:</i>					
Academy trust educational operations	7	69,059	1,702,117	97,203	1,868,379
Total		<u>70,202</u>	<u>1,702,117</u>	<u>97,203</u>	<u>1,869,522</u>
Net income/(expenditure)		55,869	(77,401)	(73,600)	(95,132)
Transfers between funds		(704)	7,437	(6,733)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(378,000)	-	(378,000)
Net movement in funds/(deficit)		55,165	(447,964)	(80,333)	(473,132)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>83,974</u>	<u>(566,000)</u>	<u>1,741,919</u>	<u>1,259,893</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>139,139</u>	<u>(1,013,964)</u>	<u>1,661,586</u>	<u>786,761</u>

Stramongate School

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)


	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	6,299	22,517	8,309	37,125
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	36,898	1,612,759	-	1,649,657
Other trading activities	4	88,895	-	-	88,895
Investments	5	98	-	-	98
Total		132,190	1,635,276	8,309	1,775,775
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	81,919	1,708,920	100,723	1,891,562
Net income/(expenditure)		50,271	(73,644)	(92,414)	(115,787)
Transfers between funds		(38,965)	(3,459)	42,424	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	192,000	-	192,000
Net movement in funds/(deficit)		11,306	114,897	(49,990)	76,213
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		72,668	(680,897)	1,791,909	1,183,680
Total funds/(deficit) carried forward at 31 August 2018		<u>83,974</u>	<u>(566,000)</u>	<u>1,741,919</u>	<u>1,259,893</u>

Stramongate School

**(Registration number: 07992440)
Balance Sheet as at 31 August 2019**

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	2,842	3,599
Tangible assets	12	<u>1,658,744</u>	<u>1,738,320</u>
		<u>1,661,586</u>	<u>1,741,919</u>
Current assets			
Debtors	13	77,499	88,639
Cash at bank and in hand		<u>206,324</u>	<u>130,766</u>
		283,823	219,405
Creditors: Amounts falling due within one year	14	<u>(119,648)</u>	<u>(135,431)</u>
Net current assets		<u>164,175</u>	<u>83,974</u>
Total assets less current liabilities		<u>1,825,761</u>	<u>1,825,893</u>
Net assets excluding pension liability		1,825,761	1,825,893
Pension scheme liability	23	<u>(1,039,000)</u>	<u>(566,000)</u>
Net assets including pension liability		<u><u>786,761</u></u>	<u><u>1,259,893</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		25,036	-
Restricted fixed asset fund		1,661,586	1,741,919
Restricted pension fund		<u>(1,039,000)</u>	<u>(566,000)</u>
		647,622	1,175,919
Unrestricted funds			
Unrestricted general fund		<u>139,139</u>	<u>83,974</u>
Total funds		<u><u>786,761</u></u>	<u><u>1,259,893</u></u>

The financial statements on pages 28 to 49 were approved by the Trustees, and authorised for issue on 18 November 2019 and signed on their behalf by:


.....
Mrs Victoria Pimblett
Trustee

Stramongate School

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	68,708	53,135
Cash flows from investing activities	20	<u>6,850</u>	<u>(42,326)</u>
Change in cash and cash equivalents in the year		75,558	10,809
Cash and cash equivalents at 1 September		<u>130,766</u>	<u>119,957</u>
Cash and cash equivalents at 31 August	21	<u><u>206,324</u></u>	<u><u>130,766</u></u>

Stramongate School

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.

Basis of preparation

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

Going concern

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

Income

All incoming resources are recognised when the academy trust 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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. 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.

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Other income

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

Donated goods, facilities and services

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

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

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust 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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Intangible fixed assets

Intangible assets costing £750 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation rate
Computer software	20%

Tangible fixed assets

Assets costing £750 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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

Asset class	Depreciation rate
Leasehold land and buildings	2%
Building improvements	6.6 - 20%
Fixtures, fittings and equipment	10 - 20%
Computer equipment	20%

Liabilities

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Taxation

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

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 31/08/2019. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Educational trips and visits	-	23,547	-	23,547	22,517
Capital grants	-	-	23,603	23,603	8,309
Other donations	6,689	-	-	6,689	6,299
	<u>6,689</u>	<u>23,547</u>	<u>23,603</u>	<u>53,839</u>	<u>37,125</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	1,406,480	1,406,480	1,410,833
Other DfE / ESFA grants	-	166,288	166,288	173,015
	<u>-</u>	<u>1,572,768</u>	<u>1,572,768</u>	<u>1,583,848</u>
Other government grants				
Local authority grants	-	22,401	22,401	28,911
HMRC employer's allowance	-	6,000	6,000	-
	<u>-</u>	<u>28,401</u>	<u>28,401</u>	<u>28,911</u>
Non-government grants and other income				
Other trading income	41,365	-	41,365	36,898
Total grants	<u>41,365</u>	<u>1,601,169</u>	<u>1,642,534</u>	<u>1,649,657</u>

4 Other trading activities

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	13,500	13,500	13,625
Catering income	46,192	46,192	37,152
Other income	18,210	18,210	38,118
	<u>77,902</u>	<u>77,902</u>	<u>88,895</u>

5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Bank Interest	115	115	98

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			2018/19	(As restated)
	Staff costs £	Premises £	Other costs £	Total £	2017/18 Total £
Expenditure on raising funds					
Direct costs	-	-	1,143	1,143	-
Academy's educational operations					
Direct costs	1,018,276	-	119,995	1,138,271	1,208,210
Allocated support costs	<u>369,063</u>	<u>191,599</u>	<u>169,446</u>	<u>730,108</u>	<u>683,352</u>
	<u><u>1,387,339</u></u>	<u><u>191,599</u></u>	<u><u>290,584</u></u>	<u><u>1,869,522</u></u>	<u><u>1,891,562</u></u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating lease rentals	7,568	6,115
Depreciation	96,446	100,473
Amortisation of intangible fixed assets	757	252
Fees payable to auditor - audit	4,000	3,995
- other audit services	<u>3,490</u>	<u>3,980</u>

7 Charitable activities

	2018/19 £	(As restated) 2017/18 £
Direct costs - educational operations	1,138,271	1,208,210
Support costs - educational operations	<u>730,108</u>	<u>683,352</u>
	<u>1,868,379</u>	<u>1,891,562</u>

	Educational operations £	2018/19 Total £	(As restated) 2017/18 Total £
Analysis of support costs			
Support staff costs	369,063	369,063	345,078
Depreciation	80,573	80,573	80,202
Premises costs	111,026	111,026	99,045
Other support costs	<u>169,446</u>	<u>169,446</u>	<u>159,027</u>
Total support costs	<u>730,108</u>	<u>730,108</u>	<u>683,352</u>

Support staff costs have been restated to include supply staff costs as a direct cost rather than a support cost.

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	997,738	1,043,531
Social security costs	85,490	87,015
Operating costs of defined benefit pension schemes	<u>280,010</u>	<u>260,311</u>
	1,363,238	1,390,857
Supply staff costs	<u>24,101</u>	<u>23,105</u>
	<u><u>1,387,339</u></u>	<u><u>1,413,962</u></u>

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	19	20
Administration and support	35	40
Management	<u>2</u>	<u>2</u>
	<u><u>56</u></u>	<u><u>62</u></u>

Higher paid staff

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

	2019 No	2018 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £221,206 (2018: £251,034).

9 Related party transactions - trustees' remuneration and expenses

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

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

Michael Poole (headteacher and trustee):

Remuneration: £70,000 - £75,000 (2018 - £70,000 - £75,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

Kerrie Bumby (staff trustee):

Remuneration: £5,000 - £10,000 (2018 - £30,000 - £35,000)

Employer's pension contributions: £0 - £5,000 (2018 - £5,000 - £10,000)

Sharron Butler (staff trustee):

Remuneration: £15,000 - £20,000 (2018 -)

Employer's pension contributions: £0 - £5,000 (2018 -)

Elaine Gilpin (staff trustee):

Remuneration: £35,000 - £40,000 (2018 - £15,000 - £20,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £0 - £5,000)

Kate Skellern (staff trustee):

Remuneration: £35,000 - £40,000 (2018 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

During the year ended 31 August 2019, expenses totalling £607 (2018 - £467) were reimbursed or paid directly to 5 trustees (2018 - 4).

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

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

11 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2018	14,438	14,438
At 31 August 2019	14,438	14,438
Amortisation		
At 1 September 2018	10,839	10,839
Charge for the year	757	757
At 31 August 2019	11,596	11,596

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Intangible fixed assets (continued)

	Computer software £	Total £
Net book value		
At 31 August 2019	<u>2,842</u>	<u>2,842</u>
At 31 August 2018	<u>3,599</u>	<u>3,599</u>

12 Tangible fixed assets

	Leasehold land and buildings £	Building improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2018	1,720,000	265,147	158,142	120,089	2,263,378
Additions	<u>-</u>	<u>8,754</u>	<u>-</u>	<u>8,114</u>	<u>16,868</u>
At 31 August 2019	<u>1,720,000</u>	<u>273,901</u>	<u>158,142</u>	<u>128,203</u>	<u>2,280,246</u>
Depreciation					
At 1 September 2018	220,733	118,742	95,104	90,479	525,058
Charge for the year	<u>34,400</u>	<u>23,483</u>	<u>22,688</u>	<u>15,873</u>	<u>96,444</u>
At 31 August 2019	<u>255,133</u>	<u>142,225</u>	<u>117,792</u>	<u>106,352</u>	<u>621,502</u>
Net book value					
At 31 August 2019	<u>1,464,867</u>	<u>131,676</u>	<u>40,350</u>	<u>21,851</u>	<u>1,658,744</u>
At 31 August 2018	<u>1,499,267</u>	<u>146,405</u>	<u>63,038</u>	<u>29,610</u>	<u>1,738,320</u>

13 Debtors

	2019 £	2018 £
Trade debtors	2,055	863
VAT recoverable	7,338	17,549
Prepayments	<u>68,106</u>	<u>70,227</u>
	<u>77,499</u>	<u>88,639</u>

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,041	47,888
Other taxation and social security	20,531	18,409
Other creditors	48	263
Accruals	28,577	12,239
Deferred income	39,856	33,016
Pension scheme creditor	23,595	23,616
	119,648	135,431
	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	33,016	34,738
Resources deferred in the period	39,856	33,016
Amounts released from previous periods	(33,016)	(34,738)
Deferred income at 31 August 2019	39,856	33,016

Deferred income relates to income received in respect of the 2019/20 academic year and £125 received in advance in relation to leases.

15 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
Restricted Funds	-	1,624,716	(1,607,117)	704	18,303
Restricted Capital Funding	-	-	-	6,733	6,733
	-	1,624,716	(1,607,117)	7,437	25,036
Restricted fixed asset funds					
Restricted Fixed Asset Fund	1,741,919	23,603	(97,203)	(6,733)	1,661,586
Restricted pension funds					
Restricted Pension Reserve	(566,000)	-	(95,000)	(378,000)	(1,039,000)
Total restricted funds	1,175,919	1,648,319	(1,799,320)	(377,296)	647,622
Unrestricted funds					
Unrestricted general funds	83,974	126,071	(70,202)	(704)	139,139

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Total funds	<u>1,259,893</u>	<u>1,774,390</u>	<u>(1,869,522)</u>	<u>(378,000)</u>	<u>786,761</u>

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
Restricted Funds	10,103	1,635,276	(1,641,920)	(3,459)	-
Restricted fixed asset funds					
Restricted Fixed Asset Fund	1,791,909	8,309	(100,723)	42,424	1,741,919
Restricted pension funds					
Restricted Pension Reserve	<u>(691,000)</u>	-	<u>(67,000)</u>	<u>192,000</u>	<u>(566,000)</u>
Total restricted funds	1,111,012	1,643,585	(1,809,643)	230,965	1,175,919
Unrestricted funds					
Unrestricted general funds	<u>72,669</u>	<u>132,190</u>	<u>(81,920)</u>	<u>(38,965)</u>	<u>83,974</u>
Total funds	<u>1,183,681</u>	<u>1,775,775</u>	<u>(1,891,563)</u>	<u>192,000</u>	<u>1,259,893</u>

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

The restricted general funds represent grant and other monies received from local government, private sector and private sponsors for the Academy's operational activities and development.

The restricted fixed asset fund relates to funding received from the DfE, ESFA and private sectors to carry out works of a capital nature as part of the school improvement plan.

Unrestricted funds relate to monies received from the local government, private sector and private sponsors to carry out works of a revenue nature.

The Academy Trust was not subject to a limit on GAG carry-forward.

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

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Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Analysis of net assets between funds (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	2,842	2,842
Tangible fixed assets	-	-	1,658,744	1,658,744
Current assets	139,139	144,684	-	283,823
Current liabilities	-	(119,648)	-	(119,648)
Pension scheme liability	-	(1,039,000)	-	(1,039,000)
Total net assets	139,139	(1,013,964)	1,661,586	786,761

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	3,599	3,599
Tangible fixed assets	-	-	1,738,320	1,738,320
Current assets	83,974	135,431	-	219,405
Current liabilities	-	(135,431)	-	(135,431)
Pension scheme liability	-	(566,000)	-	(566,000)
Total net assets	83,974	(566,000)	1,741,919	1,259,893

17 Capital commitments

	2019 £	2018 £
Contracted for, but not provided in the financial statements	-	6,784

18 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	7,061	4,970
Amounts due between one and five years	3,835	5,582
	10,896	10,552

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

	2018/19	(As restated) 2017/18
	£	£
Net expenditure	(95,132)	(115,787)
Amortisation	757	252
Depreciation	96,444	100,473
Capital grants from DfE and other capital income	(23,603)	(8,309)
Interest receivable	(115)	(98)
Defined benefit pension scheme obligation inherited	95,000	67,000
Decrease/(increase) in debtors	11,140	(21,905)
(Decrease)/increase in creditors	(15,783)	31,513
Net cash provided by Operating Activities	<u>68,708</u>	<u>53,139</u>

20 Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	115	98
Purchase of intangible fixed assets	-	(3,627)
Purchase of tangible fixed assets	(16,868)	(47,106)
Capital funding received from sponsors and others	<u>23,603</u>	<u>8,309</u>
Net cash provided by/(used in) investing activities	<u>6,850</u>	<u>(42,326)</u>

21 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>206,324</u>	<u>130,766</u>
Total cash and cash equivalents	<u>206,324</u>	<u>130,766</u>

22 Members' liability

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations

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

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

Contributions amounting to £23,595 (2018 - £23,616) were payable to the schemes at 31 August and are included within creditors.

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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £108,233 (2018: £113,779). 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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £98,000 (2018 - £93,000), of which employer's contributions totalled £78,000 (2018 - £74,000) and employees' contributions totalled £20,000 (2018 - £19,000). The agreed contribution rates for future years are per cent for employers and 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 an academy trust 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 %
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumptions (CPI)	<u>2.10</u>	<u>2.10</u>

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

	2019	2018
Retiring today		
Males retiring today	23.30	23.20
Females retiring today	25.90	25.80
Retiring in 20 years		
Males retiring in 20 years	25.60	25.50
Females retiring in 20 years	<u>28.60</u>	<u>28.50</u>

The academy trust's share of the assets in the scheme were:

	2019 £	2018 £
Equities	623,000	549,000
Government bonds	231,000	198,000
Other bonds	78,000	71,000
Property	73,000	103,000
Cash and other liquid assets	59,000	67,000
Other	<u>222,000</u>	<u>141,000</u>
Total market value of assets	<u>1,286,000</u>	<u>1,129,000</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

The actual return on scheme assets was £93,000 (2018 - £51,000).

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Current service cost (net of employee contributions)	78,000	50,000
Admin expenses	2,000	2,000
	<u>80,000</u>	<u>52,000</u>

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

	2018/19 £	2017/18 £
At start of period	1,695,000	1,690,000
Current service cost	104,000	124,000
Interest cost	48,000	40,000
Employee contributions	20,000	19,000
Actuarial (gain)/loss	438,000	(166,000)
Benefits paid	(32,000)	(12,000)
Past service cost	52,000	-
	<u>2,325,000</u>	<u>1,695,000</u>

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

	2018/19 £	2017/18 £
At start of period	1,129,000	999,000
Interest income	33,000	25,000
Actuarial gain/(loss)	60,000	26,000
Employer contributions	78,000	74,000
Employee contributions	20,000	19,000
Benefits paid	(32,000)	(12,000)
Effect of non-routine settlements	(2,000)	(2,000)
	<u>1,286,000</u>	<u>1,129,000</u>

24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.