
OLD CLEE PRIMARY ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditors' report on the financial statements	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities incorporating income and expenditure account	21 - 22
Balance sheet	23 - 24
Statement of cash flows	25
Notes to the financial statements	26 - 50

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	W Prestwood K Long R Claridge
Trustees	C Upson (resigned 23 July 2019) K Long D Barney R Claridge W Prestwood, Chair of Trustees D Richardson (appointed 21 March 2019) T Roberts, Headteacher and Accounting Officer V Daly (resigned 27 September 2019) M Reeves (resigned 30 November 2018)
Company Registered Number	08391057
Company Name	Old Clee Primary Academy
Principal and Registered Office	Colin Avenue Grimsby North East Lincolnshire DE32 8EN
Chair of Trustees	W Prestwood
Senior Leadership Team	T Roberts, Headteacher C Graham, School Business Manager D Richardson, Deputy Headteacher K Hall, Assistant Head L Dobbs, Assistant Head
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln Lincolnshire LN1 1XW
Bankers	HSBC 55 Victoria Street Grimsby DN31 1UX

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

Solicitors

Wilkin Chapman LLP
Cartergate House
26 Chantry Lane
Grimsby
North East Lincolnshire
DN31 2LJ

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report (incorporating Strategic Report), and a Directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area on the edge of Grimsby and Cleethorpes. There were 668 pupils on roll in the Spring census of 2019.

Structure, Governance and Management

CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy. The company was incorporated on 5 February 2013. The company registration number is 08391057.

The Trustees act as trustees for the charitable activities of Old Clee Primary Academy and are also the directors of the charitable company for the purpose of company law.

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

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the Academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions whilst on academy business.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are usually appointed by members. The academy's structure comprises the three members and the Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher.

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

Trustees can be appointed by the Secretary of State.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new directors will depend upon their existing experience but would always include a tour of the academy and a chance to meet staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As new trustees are infrequent then induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

ORGANISATIONAL STRUCTURE

The Board of Trustees normally meet once each term. The Board establishes an overall framework for the governance of the academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two committees as follows:

Finance and Personnel Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. They also meet as required to review staffing structures in consultation with the Headteacher and to discuss and resolve staffing, human resources and personnel issues. It also incorporates the role of an audit committee.

Curriculum and Welfare Standards Committee - this meets three times a year to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The Trustees meet at least three times per year.

The academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Headteacher, the Deputy Headteacher, two Assistant Headteachers and the School Business Manager. The SLT controls the academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them.

The Headteacher and Finance and Personnel Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders which must be authorised in line with the Scheme of Delegation. The Headteacher is the Accounting Officer and is responsible for the appointment of staff and a Trustee presence is required for senior appointments.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The appointment and remuneration of key management personnel (Senior Leadership Team) is governed by the Governing Body. The academy continues to refer to the School Teachers' Pay and Conditions Document and the National Joint Council. Performance Management interviews are held annually by the Key Line Manager to assess key personnel performance. Recommendations are then presented to a Pay Committee, a subcommittee of the Finance and Personnel Committee. The Headteacher's annual performance management review is conducted by the School Improvement Partner who makes their recommendations to the Chair of Trustees.

TRADE UNION FACILITY TIME

During the year the academy had no employees who were trade union officials.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As an academy we have a duty to support other schools. We support these schools through the use of our premises and specialist skills. The academy is affiliated with the Humberston Church of England Primary School and Healing Multi-Academy Trust.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

Objectives and Activities

OBJECTS AND AIMS

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

- Children to experience joy of discovery, solving problems and being creative.
- Developing children's self-confidence as learners and maturing socially, emotionally and academically.
- Ensure high standards of broad and rich curriculum that is interesting, imaginative and exciting.
- Education to be a fusion of excellence and enjoyment with opportunities of first hand experience, practical work and learning through play.
- Literacy and numeracy to be the backbone of pupil's success in learning.
- An inclusive school where all are treated equally and given equality regardless of gender, special needs, disability or race and where people are treated fairly and are listened to. Success will be promoted and progress, achievement and successes will be rewarded.
- All will be treated as individuals and teaching and learning will be differentiated and focused to take account of individual needs.
- Continue to develop assessment for learning and provide opportunities for children to work alongside other children to develop their emotional and life skills.
- Teachers and Teaching Assistants to provide a tailored approach to support all children giving support to those who need it the most.
- We will build strong partnerships with parents by giving them good information and plenty of opportunity for them to engage in their child's education and school environment.
- This will be a welcoming, friendly, bright, lively and happy place where children feel secure and excellent manners is an expectation.

OBJECTIVES, STRATEGIES AND ACTIVITIES

- * Raise the quality of teaching so that it is consistently good or better.
- * Raise attainment and achievement of underachieving / under attaining pupils through the development of a systematic approach to tracking, target setting and intervention - with particular focus on Disadvantaged and Boys.
- * Improve outcomes in Early Years so that they are in line with National Expectations.
- * To provide opportunities to apply knowledge, skills and understanding in a cross curricular context and to ensure opportunities provide quality breadth, depth and range - especially in writing, maths and cultural diversity.
- * Raise pupil achievement in writing across the school.
- * Improve the skills and impact of the Teaching Assistants across the whole school.
- * Develop Subject Leaders to ensure they are accountable in their area and they are driving improvements in pupils' achievements.
- * Increase the numbers of classes to 4 per year from Year 1 onwards but still keeping a PAN of 90 to enable smaller class sizes.

PUBLIC BENEFIT

The academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The academy aims to advance for the public benefit, education in Grimsby and the surrounding area.

The academy provides facilities for recreational and other leisure time occupation for the community at large in the interest of social welfare and with the interest of improving the life of said community.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

Achievements and Performance

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

The table below explains pupil attainment at Key Stage 2 in the year compared to previous years:

	2017 KS2 Results			2018 KS2 Results			2019 KS2 Results	
	%			%			%	
	School	National		School	National		School	National
COHORT	77			79			81	
Reading Attainment								
Expected	63	71		71	75		77	73
Greater Depth	15	25		26	28		20	27
Scaled Score	101.3	104.1		103.3	105		103	104
Progress	-0.61			2.4			3.1	
Writing Attainment								
Expected	79	76		83	78		78	78
Greater Depth	31	18		22	20		26	21
Progress	3.21			4.7			4.6	
Maths Attainment								
Expected	77	75		68	76		83	79
Greater Depth	18	23		10	24		19	27
Scaled Score	103.4	104.2		102	104		105	105
Progress	1.32			1.7			3.9	
SPAG Attainment								
Expected	74	77		88	78		83	78
Greater Depth	33	31		41	34		33	36
Average Score	105.9	106		107.3	106		106	106
RWM Combined								
Expected	62	61		51	64		69	64
Greater Depth	3	9		8	10		10	11

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

The table below explains pupil attainment at Key Stage 1 in the year compared to previous years:

	2017 KS1 Results %			2018 KS1 Results %			2019 KS1 Results %	
	School	National		School	National		School	National
Cohort	89			88			86	
Reading								
Expected	75	76		74	76		72	75
Greater Depth	25	25		28	26		22	25
Writing								
Expected	71	68		67	70		66	69
Greater Depth	16	16		22	16		17	15
Maths								
Expected	78	75		71	76		72	76
Greater Depth	20	21		23	22		22	20
RWM Combined								
Expected	69	64		62	65		62	65
Greater Depth	8	11		15	12		13	11
Phonics Y1	89	81		83	83		82	82
Phonics Y2 Retake	88	92		73	60		99	56
				8 out of 11			5 out of 13	
Early Years Good Level	70.4	70.7		71	71		68	72

KEY NON-FINANCIAL PERFORMANCE INDICATORS

The principal income for the academy is driven by pupil numbers. The academy has a PAN of 90 and the number of admissions is stable. Numbers increased in September 2018 across the academy despite the relocation of Bursar Primary Academy nearby.

GOING CONCERN

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

REVIEW OF ACTIVITIES

Most of the academy's income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purpose. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement financial activities.

INVESTMENT POLICY AND PERFORMANCE

The academy chooses to utilise low risk deposit accounts to generate a return on cash.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

Financial Review

RESERVES POLICY

The Trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Board has a minimum reserve level of one month's salaries, approximately £200,000. The current amounts held above this are set aside for current building projects.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Steps are being taken to eliminate the pension scheme deficit as contributions have increased since converting to an academy. It is possible that the deficit can have an effect on the cashflow of the academy, as it may mean that contributions will have to change again in the future.

The academy held fund balances of £3,284,626 (2018: £4,046,293) comprising £4,395,585 (2018: £4,266,463) of restricted fixed asset funds (which can only be realised by disposing of tangible fixed assets), £219,041 (2018: £397,647) of restricted general funds, £nil (2018: £154,183) of unrestricted general funds and a pension reserve deficit of £1,330,000 (2018: £772,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Risk Register identifies the following risk areas:

- Business Continuity.
- Financial.
- Third Party Liability.
- Personnel.
- Environmental.
- Legal and Compliance.
- Technological.
- Health and Safety.

The relocation of Bursar Primary Academy closer to our catchment area could have an impact on our future pupil numbers.

Fundraising

The academy raised income during the 2018/19 year through the following ways:

- Christmas raffles.
- Sale of unused equipment.
- SLT moderating at other schools.
- Recycling of old ink cartridges and clothing.

All fundraising was undertaken in line with recognised standards.

Plans for Future Periods

FUTURE DEVELOPMENTS

The Board intends to continue taking pupils in until our capacity of 630 (plus Nursery) is reached.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 2 December 2019 and signed on its behalf by:

W Prestwood
Chair of Trustees

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
C Upson	2	3
K Long	3	3
D Barney	3	3
R Claridge	3	3
W Prestwood, Chair of Trustees	2	3
D Richardson	1	1
T Roberts, Headteacher and Accounting Officer	3	3
V Daly	2	3
M Reeves	0	0

D Richardson was appointed as a Trustee during the year with M Reeves and C Upson resigning during the year. V Daly has resigned as a Trustee post year-end.

During the year, the Board of Trustees only met 3 times. The Trustees are satisfied that they have maintained effective oversight of funds on the basis of the regularity of receipt of financial reports and the additional meetings of sub-committees throughout the year.

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to review actual financial reports compared to the budget, authorise expenditure over a certain amount and to ensure that the systems and controls are working efficiently and effectively.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Upson	2	3
K Long	3	3
R Claridge	3	3
W Prestwood	3	3
T Roberts	3	3

OLD CLEE PRIMARY ACADEMY
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Ensuring that services and contracts are appraised or renegotiated to get the best mix of quality and effectiveness for the least cost.
- By using local suppliers and regularly renegotiating to ensure that prices are kept competitive for consumables.
- By using the internet to search for products and securing them at the best price.
- By considering a range of different options before making purchases, assessing costs and the benefits of alternatives.

The purpose of the system of internal control

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

Capacity to handle risk

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Personnel 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed R Claridge, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included reviews of purchasing systems and controls, monthly payroll procedures, bank processes and reconciliation and staff expenses.

On a termly basis, reports were issued to the Board of Trustees on the operation of the systems and controls and on the discharge of the Board of Trustees' financial responsibilities.

All planned reviews were carried out during the year and covered the purchasing system, payroll, bank reconciliation procedures and staff expenses. There were no material control or other issues reported by the Responsible Officer.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 2 December 2019 and signed on their behalf by:

W Prestwood
Chair of Trustees

T Roberts
Accounting Officer

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

T Roberts
Accounting Officer
Date: 2 December 2019

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 2 December 2019 and signed on its behalf by:

W Prestwood
Chair of Trustees

OLD CLEE PRIMARY ACADEMY
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OLD CLEE PRIMARY ACADEMY

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OLD CLEE PRIMARY ACADEMY (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OLD CLEE PRIMARY ACADEMY (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

Lincolnshire

LN1 1XW

12 December 2019

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OLD CLEE
PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter 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 Old Clee Primary Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Old Clee Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Old Clee Primary Academy's funding agreement with the Secretary of State for Education dated 28 March 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our audit work involved:

- a review of the academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the academy finance policy; and
- a review of the Internal Audit reports.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OLD CLEE
PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Robert Anderson

Streets Audit LLP

Date: 12 December 2019

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	-	431,935	431,935	11,218
Charitable activities	4	29,391	2,961,145	-	2,990,536	3,094,696
Other trading activities	5	26,878	7,720	-	34,598	38,133
Investments	6	1,646	-	-	1,646	696
Total income		57,915	2,968,865	431,935	3,458,715	3,144,743
Expenditure on:						
Raising funds	7	-	25,036	-	25,036	22,589
Charitable activities	7,8	25,036	2,924,274	756,036	3,705,346	3,138,831
Total expenditure		25,036	2,949,310	756,036	3,730,382	3,161,420
Net income / (expenditure)		32,879	19,555	(324,101)	(271,667)	(16,677)
Transfers between funds	16	(187,062)	(266,161)	453,223	-	-
Net movement in funds before other recognised gains/(losses)		(154,183)	(246,606)	129,122	(271,667)	(16,677)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(490,000)	-	(490,000)	282,000
Net movement in funds		(154,183)	(736,606)	129,122	(761,667)	265,323

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	154,183	(374,353)	4,266,463	4,046,293	3,780,970
Net movement in funds	(154,183)	(736,606)	129,122	(761,667)	265,323
Total funds carried forward	<u>-</u>	<u>(1,110,959)</u>	<u>4,395,585</u>	<u>3,284,626</u>	<u>4,046,293</u>

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

The notes on pages 26 to 50 form part of these financial statements.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08391057

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	4,395,585	4,266,463
		<u>4,395,585</u>	<u>4,266,463</u>
Current assets			
Debtors	13	231,461	72,637
Cash at bank and in hand		766,134	781,752
		<u>997,595</u>	<u>854,389</u>
Creditors: amounts falling due within one year	14	(763,034)	(293,253)
Net current assets		234,561	561,136
Total assets less current liabilities		<u>4,630,146</u>	<u>4,827,599</u>
Creditors: amounts falling due after more than one year	15	(15,520)	(9,306)
Net assets excluding pension liability		4,614,626	4,818,293
Defined benefit pension scheme liability	23	(1,330,000)	(772,000)
Total net assets		<u><u>3,284,626</u></u>	<u><u>4,046,293</u></u>

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	4,395,585	4,266,463
Restricted income funds	16	219,041	397,647
		<hr/>	<hr/>
Restricted funds excluding pension asset	16	4,614,626	4,664,110
Pension reserve	16	(1,330,000)	(772,000)
		<hr/>	<hr/>
Total restricted funds	16	3,284,626	3,892,110
Unrestricted income funds	16	-	154,183
		<hr/>	<hr/>
Total funds		3,284,626	4,046,293
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue on 02 December 2019 and are signed on their behalf, by:

W Prestwood
Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(46,529)	355,623
Cash flows from investing activities	20	21,599	(227,154)
Cash flows from financing activities	19	9,312	(3,104)
Change in cash and cash equivalents in the year		(15,618)	125,365
Cash and cash equivalents at the beginning of the year		781,752	656,387
Cash and cash equivalents at the end of the year	21	<u>766,134</u>	<u>781,752</u>

The notes on pages 26 to 50 form part of these financial statements

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

Old Clee Primary Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

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

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

- **Other income**

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold land	- Straight Line over 125 Years
Leasehold buildings	- Straight Line over 19 and 20 Years
Furniture and equipment	- Straight Line over 5 and 10 Years
Other fixed assets	- No Depreciation - See 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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

3. Income from donations and capital grants

	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Capital Grants	431,935	431,935	11,218
	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	11,218	11,218	
	<hr/>	<hr/>	

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

4. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
ESFA Grants			
General Annual Grant (GAG)	-	2,427,311	2,427,311
Other ESFA Income	-	356,025	356,025
	-	2,783,336	2,783,336
Other Government Grants			
Local Authority Income	-	177,809	177,809
	-	177,809	177,809
Other Funding			
Other Income	29,391	-	29,391
	29,391	-	29,391
	29,391	2,961,145	2,990,536
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
ESFA Grants			
General Annual Grant (GAG)	-	2,473,907	2,473,907
Other ESFA Income	-	285,691	285,691
	-	2,759,598	2,759,598
Other Government Grants			
Local Authority Income	-	266,871	266,871
	-	266,871	266,871
Other Funding			
Other Income	68,227	-	68,227
	68,227	-	68,227
	68,227	3,026,469	3,094,696

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Sickness Insurance Claims	-	7,720	7,720
Children Centre Income	26,878	-	26,878
	<u>26,878</u>	<u>7,720</u>	<u>34,598</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Sickness Insurance Claims	-	7,264	7,264
Staff Consultancy	8,000	-	8,000
Children Centre Income	22,869	-	22,869
	<u>30,869</u>	<u>7,264</u>	<u>38,133</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank Interest Received	1,646	1,646	696

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on other trading activities:				
Direct costs	12,567	12,469	-	25,036
Educational operations:				
Direct costs	1,886,927	-	213,680	2,100,607
Support costs	306,879	639,194	658,666	1,604,739
	<u>2,206,373</u>	<u>651,663</u>	<u>872,346</u>	<u>3,730,382</u>
	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Expenditure on other trading activities:				
Direct costs	11,948	10,641	-	22,589
Educational operations:				
Direct costs	1,850,887	-	130,615	1,981,502
Support costs	282,827	274,465	600,037	1,157,329
	<u>2,145,662</u>	<u>285,106</u>	<u>730,652</u>	<u>3,161,420</u>

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	2,100,607	1,604,739	3,705,346

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	1,981,502	1,157,329	3,138,831

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff Costs	1,885,845	1,850,361
Other Staff Costs	15,942	20,626
Educational Material and Supplies	65,036	53,306
Staff Development	19,033	10,223
Direct ICT Costs	72,259	15,976
Other Direct Costs	42,492	31,010
	2,100,607	1,981,502

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Pension Finance Cost	22,000	26,000
Staff Costs	306,879	282,622
Depreciation	277,733	290,763
Cleaning and Maintenance	584,281	215,394
Other Staff Costs	-	206
Utilities	33,851	30,409
Rates	7,602	15,674
Insurance	13,460	12,988
Catering	100,161	95,035
Indirect ICT	30,574	23,142
Governance	5,400	9,510
Other Support Costs	222,798	155,586
	1,604,739	1,157,329

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	<i>2018 £</i>
Operating lease rentals	21,985	16,545
Depreciation of tangible fixed assets	277,733	290,763
Fees paid to auditors for:		
- audit	4,250	4,250
- other services	750	750

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	1,680,484	1,659,258
Social security costs	138,233	128,371
Pension costs	386,574	357,302
	2,205,291	2,144,931
Agency staff costs	1,082	731
	2,206,373	2,145,662

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	31	31
Administration and support	49	47
Management	5	6
	85	84

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

10. Staff costs (continued)

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £80,001 - £90,000	1	<i>1</i>
	<u><u>1</u></u>	<u><u>1</u></u>

d. Key management personnel

The key management personnel of the academy comprise the staff governors and senior leadership team on page 1. The total of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £273,500 (2018 - £355,500).

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

11. Trustees' and Officers' insurance

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

12. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	5,189,849	119,318	194,817	203,674	5,707,658
Additions	-	488,126	-	-	488,126
Disposals	-	-	(86,011)	(189,036)	(275,047)
Transfers between classes	239,952	(239,952)	-	-	-
At 31 August 2019	5,429,801	367,492	108,806	14,638	5,920,737
Depreciation					
At 1 September 2018	1,222,428	-	41,418	177,349	1,441,195
Charge for the year	263,519	-	9,656	4,558	277,733
On disposals	-	-	(23,949)	(169,827)	(193,776)
At 31 August 2019	1,485,947	-	27,125	12,080	1,525,152
Net book value					
At 31 August 2019	3,943,854	367,492	81,681	2,558	4,395,585
At 31 August 2018	3,967,421	119,318	153,399	26,325	4,266,463

Leasehold Property transferred on conversion is held under a 125 year lease and is stated at the valuation provided to the academy by the ESFA. Subsequent additions are stated at cost.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

13. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	4,331	876
VAT recoverable	99,724	15,495
Prepayments and accrued income	127,406	56,266
	<u>231,461</u>	<u>72,637</u>

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	6,208	3,110
Trade creditors	363,080	56,441
Other taxation and social security	34,669	33,034
Other creditors	34,572	4,668
Accruals and deferred income	324,505	196,000
	<u>763,034</u>	<u>293,253</u>
	2019 £	2018 £
Deferred income:		
Deferred income at 1 September	37,909	9,055
Resources deferred during the year	59,368	37,909
Amounts released from previous periods	(37,909)	(9,055)
Deferred income at 31 August	<u>59,368</u>	<u>37,909</u>

At the year-end, the academy had received income in advance for UIFSM and school trips.

Included within other loans is a balance of £6,208 (2018: £3,110) from Salix which is provided on the following terms: an interest free, unsecured loan which will be repaid by instalments over 5 years.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

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

	2019	<i>2018</i>
	£	£
Other loans	15,520	<i>9,306</i>

Included within other loans is a balance of £15,520 (2018: £9,306) from Salix which is provided on the following terms: an interest free, unsecured loan which will be repaid by instalments over 5 years.

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	154,183	57,915	(25,036)	(187,062)	-	-
Restricted general funds						
General Annual Grant (GAG)	360,067	2,427,311	(2,343,919)	(266,161)	-	177,298
Other ESFA Grants	37,580	356,025	(351,862)	-	-	41,743
Other Government Income	-	177,809	(177,809)	-	-	-
Other Income	-	7,720	(7,720)	-	-	-
Pension Reserve	(772,000)	-	(68,000)	-	(490,000)	(1,330,000)
	<u>(374,353)</u>	<u>2,968,865</u>	<u>(2,949,310)</u>	<u>(266,161)</u>	<u>(490,000)</u>	<u>(1,110,959)</u>
Restricted fixed asset funds						
Assets Transferred on Conversion	3,621,513	-	(223,245)	-	-	3,398,268
Other Assets Acquired	644,950	-	(135,759)	488,126	-	997,317
Unspent Capital Grants	-	431,935	(397,032)	(34,903)	-	-
	<u>4,266,463</u>	<u>431,935</u>	<u>(756,036)</u>	<u>453,223</u>	<u>-</u>	<u>4,395,585</u>
Total Restricted funds	<u>3,892,110</u>	<u>3,400,800</u>	<u>(3,705,346)</u>	<u>187,062</u>	<u>(490,000)</u>	<u>3,284,626</u>
Total funds	<u><u>4,046,293</u></u>	<u><u>3,458,715</u></u>	<u><u>(3,730,382)</u></u>	<u><u>-</u></u>	<u><u>(490,000)</u></u>	<u><u>3,284,626</u></u>

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

16. Statement of funds (continued)

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

Unrestricted Funds:

General Funds represent those resources which may be used towards meeting any of the objects of the academy at the discretion of the Trustees. The policy of the academy is to now utilise these funds in priority to current year GAG income.

Restricted Funds:

General Annual Grant is made up of a number of different funding streams all of which are to be used to cover the running costs of the academy.

Other ESFA Grants represents other funding from the ESFA received for specific purposes

Other Government Income represents funding received from other government sources to be spent for specific purposes.

Other Income represents all other restricted funds received which must be used for the purpose intended.

Pension Reserve represents the current deficit balance of the local government pension scheme.

Restricted Fixed Asset Funds:

Assets transferred on conversion and other assets acquired represent the net book value of fixed assets acquired by the different sources of funding received by the academy.

Unspent capital grants relates to unspent funding received from the ESFA to be spent on expenditure of a capital nature.

Transfers:

Transfers in the funds analysis represent both the acquisition of fixed assets with non-capital funding as well as a correction of previous cost allocations against unrestricted income streams in line with the new academy policy.

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

16. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
General Funds	96,014	102,792	(44,623)	-	-	154,183
Restricted general funds						
General Annual Grant (GAG)	294,415	2,473,507	(2,180,005)	(227,850)	-	360,067
Other ESFA Grants	38,659	286,950	(288,029)	-	-	37,580
Other Government Income	28,724	266,012	(294,736)	-	-	-
Other Income	-	7,264	(7,264)	-	-	-
Pension Reserve	(995,000)	-	(59,000)	-	282,000	(772,000)
	(633,202)	3,033,733	(2,829,034)	(227,850)	282,000	(374,353)
Restricted fixed asset funds						
Assets Transferred on Conversion	3,845,043	-	(223,530)	-	-	3,621,513
Other Assets Acquired	473,115	-	(67,233)	239,068	-	644,950
Unspent Capital Grants	-	11,218	-	(11,218)	-	-
	4,318,158	11,218	(290,763)	227,850	-	4,266,463
Total Restricted funds	3,684,956	3,044,951	(3,119,797)	-	282,000	3,892,110

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

16. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Total funds	3,780,970	3,147,743	(3,164,420)	-	282,000	4,046,293

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	4,395,585	4,395,585
Current assets	580,124	417,471	997,595
Creditors due within one year	(345,563)	(417,471)	(763,034)
Creditors due in more than one year	(15,520)	-	(15,520)
Provisions for liabilities and charges	(1,330,000)	-	(1,330,000)
Total	(1,110,959)	4,395,585	3,284,626

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	4,266,463	4,266,463
Current assets	154,183	590,540	109,666	854,389
Creditors due within one year	-	(192,893)	(100,360)	(293,253)
Creditors due in more than one year	-	-	(9,306)	(9,306)
Provisions for liabilities and charges	-	(772,000)	-	(772,000)
Total	154,183	(374,353)	4,266,463	4,046,293

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

18. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(271,667)	(16,677)
Adjustments for:		
Depreciation	277,733	290,763
Capital grants from DfE and other capital income	(431,935)	(11,218)
Interest receivable	(1,646)	(696)
Defined benefit pension scheme cost less contributions payable	46,000	33,000
Defined benefit pension scheme finance cost	22,000	26,000
(Increase)/decrease in debtors	(100,915)	34,736
Increase/(decrease) in creditors	338,330	(285)
Loss on the sales of fixed assets	75,571	-
Net cash (used in)/provided by operating activities	(46,529)	355,623

19. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	15,520	-
Repayments of borrowing	(6,208)	(3,104)
Net cash provided by/(used in) financing activities	9,312	(3,104)

20. Cash flows from investing activities

	2019 £	2018 £
Bank interest received	1,646	696
Purchase of tangible fixed assets	(359,773)	(239,068)
Proceeds from the sale of tangible fixed assets	5,700	-
Capital grants from DfE Group	374,026	11,218
Net cash provided by/(used in) investing activities	21,599	(227,154)

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	766,134	781,752
Total cash and cash equivalents	766,134	781,752

22. Contingent liabilities

In the event of Old Clee Primary Academy ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

23. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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.

The employer's pension costs paid to TPS in the year amounted to £173,370 (2018 - £203,302).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £176,000 (2018 - £160,000), of which employer's contributions totalled £150,000 (2018 - £137,000) and employees' contributions totalled £ 26,000 (2018 - £23,000). The agreed contribution rates for future years are 36.9 per cent for employers and a maximum of 12.5 per cent for employees.

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

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Salary Increase Rate	2.5	2.6
Pension Increase Rate (CPI)	2.3	2.4
Discount rate	1.8	2.8

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.8	21.7
Females	23.3	24.2
<i>Retiring in 20 years</i>		
Males	22.0	23.7
Females	24.9	26.4

Sensitivity analysis

	2019	2018
	£000	£000
0.5% decrease in Real Discount Rate	453,000	348,000
0.5% increase in the Salary increase Rate	94,000	81,000
0.5% increase in the Pension Increase Rate (CPI)	347,000	261,000

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	1,595,000	1,443,000
Corporate bonds	337,000	261,000
Property	247,000	240,000
Cash and other liquid assets	68,000	60,000
Total market value of assets	2,247,000	2,004,000

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

23. Pension commitments (continued)

The actual return on scheme assets was £92,000 (2018 - £122,000).

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

	2019 £	2018 £
Current service cost	(186,000)	(170,000)
Past service cost	(10,000)	-
Interest income	58,000	45,000
Interest cost	(80,000)	(71,000)
Total amount recognised in the Statement of financial activities	(218,000)	(196,000)

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

	2019 £	2018 £
At 1 September	2,776,000	2,736,000
Current service cost	186,000	170,000
Interest cost	80,000	71,000
Employee contributions	26,000	23,000
Changes in actuarial assumptions	524,000	(205,000)
Benefits paid	(25,000)	(19,000)
Past service costs	10,000	-
At 31 August	3,577,000	2,776,000

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

	2019 £	2018 £
At 1 September	2,004,000	1,741,000
Interest income	58,000	45,000
Expected return on scheme assets	34,000	77,000
Employer contributions	150,000	137,000
Employee contributions	26,000	23,000
Benefits paid	(25,000)	(19,000)
At 31 August	2,247,000	2,004,000

OLD CLEE PRIMARY ACADEMY
(A company limited by guarantee)

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

24. Operating lease commitments

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

	2019 £	2018 £
Amounts payable:		
Not later than 1 year	20,080	21,985
Later than 1 year and not later than 5 years	27,259	30,058
	<u>47,339</u>	<u>52,043</u>

25. Members' liability

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

26. Related party transactions

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

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