

**Company Registration Number: 07495541 (England & Wales)**

**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Governors</b>	B Thomas (resigned 17 September 2018) B Roberts <sup>1</sup> R Shepherd, Chair J Newman (resigned 26 September 2018) P Hung D Burke, Headteacher and Accounting Officer C Hodges <sup>1</sup> J Sweeting (resigned 16 May 2019) R Leftley <sup>1</sup> S Robertson H Kellett K Wilkey (appointed 30 October 2018) S Holtom-Fawcett (resigned 5 April 2019) A Niblett R Boulton C Hansen (appointed 22 May 2019) J McGuire M Huysinga <sup>1</sup> P Horne <sup>1</sup> D Hazael G Sparkes <sup>1</sup> K Holdsworth (appointed 4 December 2018) J Poulson (appointed 16 March 2019)
	<sup>1</sup> Finance committee
<b>Company registered number</b>	07495541
<b>Company name</b>	Balcarras School
<b>Principal and Registered office</b>	Balcarras School East End Road Charlton Kings Cheltenham Glos GL53 8QF
<b>Senior management team</b>	D Burke, Headteacher N Baxter, Deputy Head Teacher R Atkin, Assistant Head Teacher E Cullis, Assistant Head Teacher I Davidson, Assistant Head Teacher P Greenway, Assistant Head Teacher (retired 31 August 2019) G Towers, Assistant Head Teacher

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**BALCARRAS SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Independent auditor** Mazars LLP  
Chartered Accountants  
90 Victoria Street  
Bristol  
BS1 6DP

**Bankers** Yorkshire Bank  
5 Northgate Street  
Gloucester  
GL1 2AH

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**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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

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The Governors 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 Governors' report and a directors' report under company law.

The address of the principal office of the trust is East End Road, Charlton Kings, Cheltenham, Gloucestershire, GL53 8QF.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Cheltenham. It has a pupil capacity of 1,217 and had a roll of 1,406 in the school census on 31 October 2018.

**Structure, governance and management**

**a. 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 governors of Balcarras School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Balcarras School.

Details of the governors who served throughout the year are included in the Reference and Administrative Details on page 1.

**b. 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.

**c. Governors' indemnities**

The Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 16 to the financial statements.

**d. Method of recruitment and appointment or election of Governors**

The governors are directors of the company for the purposes of the Companies Act 2006 and governors for the purposes of charity legislation.

The board of governors consists of 20 members, 9 by appointment of the Governors, the Headteacher, 3 staff members elected by the staff of the Academy and 7 parent members elected by parents of pupils of the school.

The term of office of any governor will be 4 years, except this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of governor, any governor can be re-appointed or re-elected.

**e. Policies adopted for the induction and training of Governors**

New governors join throughout the year, induction tends to be done informally and is tailored specifically to the individual. Other training is conducted as necessary.

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

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**Structure, governance and management (continued)**

**f. Organisational structure**

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy (by use of budgets) and making major decisions about the strategic direction of the Academy, capital expenditure and the appointment of the Headteacher.

During the period under review the governors held four meetings. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors.

Management structure of the school encourages clear, firm decision-making at all levels. The governors meet four times a year, taking reports from each of the sub-committees. The governors establish important strategic policy and principles, with nearly all decision-making delegated to the headteacher.

The senior leadership team works with the headteacher in leading the work of the school. It consists of the head, one deputy and six assistant heads, one of them part-time.

Decision-making is further delegated to excellent heads of house and heads of department and they have considerable autonomy in the running of their sections of the school.

**g. Risk management**

The Governors have assessed the major risks to which the Academy is exposed. They have identified Strategic, Operational, Regulatory and Financial risks. Likelihood and impact of risk has been assessed and methods of avoiding, transferring and mitigating these have been considered.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	-

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	311
Total pay bill	6,018,410
Percentage of total pay bill spent on facility time	- %

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

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**Structure, governance and management (continued)**

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time 1 %  
hours

**Objectives and activities**

**a. Objects and aims**

The principal activity of the Academy is the operation of Balcarras School to provide education for pupils of different abilities between the ages of 11 to 18.

In accordance with the Articles of Association the Academy had adopted a 'Scheme of Government' approved by the Secretary of State for Education and Skills.

The Academy's aims are:

- Commitment to the highest academic standards
- A caring and stimulating environment
- A wide range of extra-curricular activities
- A partnership with parents, business and the local community.

Our over-arching aim is to provide an education for our pupils which will equip them to be confident, successful adults who will make a positive contribution to the adult world. All of the school's activities are focused upon our achieving that aim.

**b. Objectives, strategies and activities**

This year's results at both GCSE and A level were the best in the school's history. At GCSE our Progress 8 score was +0.83 which is the highest for any comprehensive school in Gloucestershire and third in the South West. Our high ability students once again out-performed students at each of Gloucestershire's seven grammar schools. 42% of all grades were awarded at 7+ which is a new record for the school.

A-level results were also record breaking, with 71% of the grades being A\*-B and an ALPS score of 2, putting us comfortably in the top decile in the country for progress from GCSE to A-level. In 2018 our value added figure of +0.27 was the highest for any state school in Gloucestershire. Achievement of this kind continues to be underpinned by the highly professional approach of the teachers and support staff of the school who are all committed to achieving the very highest academic standards.

In November 2018 we were once again named as the highest performing comprehensive school in the South West by Sunday Times Parent Power supplement. The Sunday Times rank schools according to their % A\*/B at A Level, as well as their percentage A\*/A at GCSE. For Balcarras to continue to top this league table in a region as big as the South West is quite an achievement.

Our work as a Teaching School continues to thrive, as does our Maths Hub, GLOW. Both of these responsibilities mean that we offer a wide range of professional development opportunities for our staff and for colleagues across the region. The contributions of Elizabeth Cullis and Steve Lomax are central to these activities.

School Direct, too, continues to provide excellent training for graduates entering the teaching profession. We have 7 trainees enrolled on the scheme for 2019/20.

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

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**Objectives and activities (continued)**

The academic year 2019/20 promises to be one of similar success to last year, if not more so, and the overall quality of the workforce has never been higher. We continue to place great emphasis on making school enjoyable and our programme for extra-curricular continues to be a real area of strength.

Balcarras has been chosen to sponsor Cheltenham's new secondary school which will open in September 2021. Linked to this we are currently planning for our conversion to MAT status in all likelihood by September 2020.

**c. Public benefit**

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Balcarras aims each year to set a balanced budget and to carry forward a reserve. This was achieved last year with an in-year balance of £85,659 (derived from net movement in total funds less movement in total restricted funds) and a reserve of £936,971. This means that a positive balance of £1,022,630 in total has been carried forward into the new financial year (excluding fixed asset accounting).

We again had an excellent GCSE and A-Level results with 84% of the Year 11 cohort achieving A\*~C English and Maths, and 42% of all grades A\*/A.

71% of all grades at A-level were A\*-B, which gave us an ALPS rating of 2, putting us in the top decile of all schools across the country.

**b. Going concern**

After making appropriate enquiries, the board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Financial review**

**a. Financial review**

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, which are restricted for particular purposes. The grants received from ESFA during the financial accounting period of the Academy ending on 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Balcarras School received a total revenue income of £7,300,000 in grants from the ESFA with a further £151,000 from the Local Authority and other grant income of £184,000 was capital grants and other income totalled £1,062,000. Total revenue expenditure came to £9,191,000 of which £6,799,000 related to teaching and



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

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**Strategic report (continued)**

**Financial review (continued)**

educational support costs, £2,392,000 related to support costs (including £503,000 of depreciation of fixed assets) and £16,000 related to governance costs. Capital projects expenditure totalled £65,000.

**b. Reserves policy**

The policy of the Academy Trust is to carry forward a prudent level of resources; designed to meet working capital requirements, fund long-term cyclical needs of renewal, support future capital improvements and meet any other unforeseen contingencies. The reserves will represent capital and revenue and will be identified as Restricted, Unrestricted and Designated Reserves.

Sufficient working capital should be retained within the level of reserves to cover delays between expenditure and receipt of funding as well as to provide contingency for any unexpected costs.

The Academy Trust considers that the level of revenue reserves should be equivalent to 4 weeks' revenue expenditure, which currently equates to £500,000.

The Academy Trust may choose to designate part or all of its unrestricted reserves for a specific purpose or future need. In this instance, any designated reserves will be excluded from the assessment of the Academy Trust's available free reserves.

Based on the financial year ending 2019/2020, with the total reserves of £1,022,000, of this £459,000 has been designated to future projects as follows; £48,000 Astro Pitch Replacement Fund, £20,000 for Boiler replacement, £30,000 for toilet refurbishment, £30,000 for Landscaping the front of the school, £110,000 for a MUGA, £12,000 for landscaping the Pavilion area, £150,000 for extending the Sixth Form, £27,000 for replacing Astro Floodlights, £11,000 for LED lighting in Languages Block, £12,000 for LED lighting in Sports Hall and £9,000 for LED lighting in Sports Hall changing rooms. This is in line with the reserves policy.

**c. Investment policy**

Due to the nature of the funding cycle, the Academy may at times hold large cash balances which may not be required for immediate use. The governors have authorised the opening of a 30 day deposit account to take advantage of a higher interest rate. No other form of investment is authorised.

**d. Principal risks and uncertainties**

Our main concern continues to be the level of funding we receive and the fact that our resources reduce year on year. Our Pupil Teacher ratio has increased from 15.72 in 2012 to 17.54 in 2019/20. This has been because of unfunded increases in our salaries, pension contribution and NI commitments, and the 3% per year reduction in Post-16 funding which means that we have lost around 13% of our funding for sixth form since 2011.

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

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**Plans for future periods**

This year we again hope to raise our A-level performance to record levels and to achieve very high GCSE results. To do this whilst providing superb enrichment opportunities to all pupils and excellent SEN support will be a very high ambition.

We are looking to improve the quality of the play space in the school and to further invest into our ICT infrastructure. We have been given a grant of £350,000 to support a temporary increase in our pupil intake in 2019.

Balcarras has been chosen to sponsor Cheltenham's new secondary school which will open in September 2021. Linked to this we are currently planning for our conversion to MAT status in all likelihood by September 2020.

**Pay policy for key management personnel**

A group of governors oversee and review the key management personnel (SMT) pay. This is reviewed in accordance with the STRB pay scale, guidance and advice based on the size of school and responsibilities held at the time of the review.

**Disclosure of information to auditor**

Insofar as the Governors are aware:

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

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



R Shepherd  
Chair

13/12/19

**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

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**BALCARRAS SCHOOL**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
R Boulton	3	4
D Burke, Headteacher and Accounting Officer	4	4
C Hansen	1	1
D Hazael	3	4
C Hodges	4	4
K Holdsworth (From 4/12/18)	2	2
S Holtom-Fawcett (Resigned 5/4/19)	1	3
P Horne	4	4
P Hung	4	4
M Huysinga	3	4
H Kellett	4	4
R Leftley	3	4
J McGuire	2	4
J Newman (Resigned 27/9/18)	0	1
A Niblett	3	4
J Poulson (From 19/3/19)	1	1
B Roberts	4	4
S Robertson	2	4
R Shepherd, Chair	4	4
G Sparkes	4	4
J Sweeting (Resigned 16/5/19)	1	3
B Thomas (Resigned 17/10/18)	0	0
K Wilkey) (From 30/10/18)	2	3

The Finance Committee is a sub-committee of the main board of Governors. Its purpose is to manage the financial status of the school and to advise the Governing Body of financial matters. Attendance at meetings in the year was as follows.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
P Horne (Chair)	4	5
D Burke, Headteacher and Accounting Officer	5	5
C Hodges	3	5
M Huysinga	4	5
R Leftley	3	5
B Roberts	4	5
G Sparkes	5	5

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

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

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

**Capacity to handle risk**

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

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

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Karen Holdsworth, a Governor, as Responsible Officer ('RO').

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

Karen Holdsworth is a qualified accountant and has this year performed the RO role. Her duties include a termly visit to ensure that procedures in the ESFA Academies Financial Handbook are followed, to perform checks each year to confirm the above and report to the board of governors on her findings.

The Responsible Officer has visited the school twice during 2018/19 and her report has been reviewed and discussed by the governors.

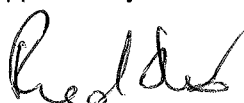
**Review of effectiveness**

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

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

Approved by order of the members of the board of Governors on <sup>13/12/19</sup> and signed on their behalf by:



R Shepherd  
Chair



D Burke  
Head Teacher and Accounting Officer

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**BALCARRAS SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



D Burke  
Head Teacher and Accounting Officer

Date: 13/12/14

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

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

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

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

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

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

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

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



R Shepherd

Chair

Date:

13.12.19



**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNORS OF  
BALCARRAS SCHOOL**

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**Opinion**

We have audited the financial statements of Balcarras School (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (Incorporating Income and Expenditure Account), Balance Sheet and the 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

**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.

**The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the academy's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the academy as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the academy's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the academy and this is particularly the case in relation to Brexit.

**Conclusions relating to going concern**

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

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNORS OF  
BALCARRAS SCHOOL**

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

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**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE GOVERNORS OF  
BALCARRAS SCHOOL**

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**Responsibilities of Directors**

As explained more fully in the Governors responsibilities statement set out on page 2, the directors 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 directors 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 directors 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 directors 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit 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 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 the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Marchant (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol  
BS1 6DP

Date: 17/12/19

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**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 12 July 2019 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 Balcarras School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Balcarras School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Balcarras School's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**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.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

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**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**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.

*Mazars LLP*

**Mazars LLP**

90 Victoria Street  
Bristol  
BS1 6DP

Date: 17/12/19

**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted funds - class ii 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	5	53,809	-	-	53,809	98,623
Charitable activities		-	7,450,673	184,242	7,634,915	7,708,851
Other trading activities		521,202	-	-	521,202	489,940
Investments	8	5,503	-	-	5,503	4,472
Other income	9	54,358	427,409	-	481,767	350,511
<b>Total income</b>		<b>634,872</b>	<b>7,878,082</b>	<b>184,242</b>	<b>8,697,196</b>	<b>8,652,397</b>
<b>Expenditure on:</b>						
Charitable activities		450,405	8,270,465	502,736	9,223,607	9,094,683
<b>Total expenditure</b>		<b>450,405</b>	<b>8,270,465</b>	<b>502,736</b>	<b>9,223,606</b>	<b>9,094,683</b>
<b>Net income/(expenditure)</b>		<b>184,467</b>	<b>(392,383)</b>	<b>(318,494)</b>	<b>(526,410)</b>	<b>(442,286)</b>
Transfers between funds	22	(98,808)	191,345	(92,537)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>85,659</b>	<b>(201,038)</b>	<b>(411,031)</b>	<b>(526,410)</b>	<b>(442,286)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	29	-	(841,000)	-	(841,000)	471,000
<b>Net movement in funds</b>		<b>85,659</b>	<b>(1,042,038)</b>	<b>(411,031)</b>	<b>(1,367,410)</b>	<b>28,714</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		936,971	(1,595,962)	8,758,247	8,099,256	8,070,542
Net movement in funds		85,659	(1,042,038)	(411,031)	(1,367,410)	28,714
<b>Total funds carried forward</b>		<b>1,022,630</b>	<b>(2,638,000)</b>	<b>8,347,216</b>	<b>6,731,846</b>	<b>8,099,256</b>

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

The notes on pages 23 to 47 form part of these financial statements.

**BALCARRAS SCHOOL**  
(A Company Limited by Guarantee)

**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

		2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	17	8,347,216	8,758,246
		<u>8,347,216</u>	<u>8,758,246</u>
<b>Current assets</b>			
Stocks	18	25,263	20,436
Debtors	19	277,255	231,916
Cash at bank and in hand		2,056,203	1,473,867
		<u>2,358,721</u>	<u>1,726,219</u>
Creditors: amounts falling due within one year	20	(1,336,091)	(777,209)
<b>Net current assets</b>		<u>1,022,630</u>	<u>949,010</u>
<b>Total assets less current liabilities</b>		<u>9,369,846</u>	<u>9,707,256</u>
<b>Net assets excluding pension liability</b>		<u>9,369,846</u>	<u>9,707,256</u>
Defined benefit pension scheme liability	29	(2,638,000)	(1,608,000)
<b>Total net assets</b>		<u><u>6,731,846</u></u>	<u><u>8,099,256</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	22	8,347,216	8,758,247
Restricted income funds	22	-	12,038
Restricted funds excluding pension asset	22	<u>8,347,216</u>	<u>8,770,285</u>
Pension reserve	22	<u>(2,638,000)</u>	<u>(1,608,000)</u>
<b>Total restricted funds</b>	22	<u>5,709,216</u>	<u>7,162,285</u>
<b>Unrestricted income funds</b>	22	<u>1,022,630</u>	<u>936,971</u>
<b>Total funds</b>		<u><u>6,731,846</u></u>	<u><u>8,099,256</u></u>

The financial statements on pages 20 to 47 were approved by the Governors, and authorised for issue on and are signed on their behalf, by:

R Shepherd (Miss)



13/12/19

The notes on pages 23 to 47 form part of these financial statements.

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**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	<b>25</b>	668,539	247,866
<b>Cash flows from investing activities</b>	<b>26</b>	(86,203)	(392,161)
<b>Change in cash and cash equivalents in the year</b>		582,336	(144,295)
Cash and cash equivalents at the beginning of the year		1,473,867	1,618,162
<b>Cash and cash equivalents at the end of the year</b>	<b>27</b>	<u>2,056,203</u>	<u>1,473,867</u>

The notes on pages 23 to 47 form part of these financial statements



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

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**1. General information**

Balcarras School is a private company limited by guarantee, registered in England & Wales, registered number 07495541. Its registered office is Balcarras School, East End Road, Charlton Kings, Cheltenham, Gloucestershire, GL53 8QF.

**2. 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.

**2.1 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.

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

**2.2 Going concern**

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

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

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**2. Accounting policies (continued)**

**2.3 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.

- **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

**2.4 Expenditure**

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

- **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.

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

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**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

All resources expended are inclusive of irrecoverable VAT.

**2.5 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.

**2.6 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.

**2.7 Tangible fixed assets**

Assets costing more than £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 basis over its expected useful life, as follows:

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

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Freehold property	- 5% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 20% straight line

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Land is not depreciated.

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.

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.9 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.

**2.10 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.

**2.11 Liabilities and provisions**

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

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

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**2. Accounting policies (continued)**

**2.12 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 21. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 21. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**2.13 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.

The academy is a member of a multi-employer plan. Where it is not possible for the academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

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

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**2. Accounting policies (continued)**

**2.14 Fund accounting**

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

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

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

**3. 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 29, 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.

**4. General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State, the academy was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2019.

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

**5. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	53,809	53,809	98,623

**6. Funding for the academy's academy**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	5,788,791	5,788,791	5,665,625
Other DfE/EFA Grants	289,970	289,970	235,663
GCC Growth Income	-	-	105,645
SEN from LA	150,951	150,951	176,044
Academy main buildings grant	142,022	142,022	514,090
Devolved formula capital allocations	42,220	42,220	17,324
Special educational projects	63,518	63,518	41,930
Mainstream grants	488,034	488,034	952,530
Maths Hub Grant	643,677	643,677	-
GAG Start Up Grant Part A	19,640	19,640	-
Year 7 Catch Up Grant	6,092	6,092	-
	<b>7,634,915</b>	<b>7,634,915</b>	<b>7,708,851</b>

**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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

**7. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Hire of facilities	77,674	77,674	67,489
Income from services	51,991	51,991	53,489
Catering Income	391,537	391,537	368,962
	<u>521,202</u>	<u>521,202</u>	<u>489,940</u>

**8. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Investment income	5,503	5,503	4,472
	<u>5,503</u>	<u>5,503</u>	<u>4,472</u>

**9. Other incoming resources**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
School trips	-	427,409	427,409	250,941
Sundry Income	54,358	-	54,358	99,570
	<u>54,358</u>	<u>427,409</u>	<u>481,767</u>	<u>350,511</u>
<b>Total 2018</b>	<u>99,570</u>	<u>250,941</u>	<u>350,511</u>	



**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

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

**10. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Academy:					
Direct costs	5,404,164	-	1,394,916	6,799,080	6,336,485
Allocated support costs	944,464	354,898	1,125,164	2,424,526	2,758,198
	<u>6,348,628</u>	<u>354,898</u>	<u>2,520,080</u>	<u>9,223,606</u>	<u>9,094,683</u>
<b>Total 2018</b>	<u>6,116,898</u>	<u>715,521</u>	<u>2,262,264</u>	<u>9,094,683</u>	

**11. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Academy	6,799,080	2,424,526	9,223,606	9,094,683
	<u>6,336,485</u>	<u>2,758,198</u>	<u>9,094,683</u>	
<b>Total 2018</b>	<u>6,336,485</u>	<u>2,758,198</u>	<u>9,094,683</u>	

**BALCARRAS SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Academy 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension income	47,000	47,000	48,000
Staff costs	5,404,164	5,404,164	5,204,349
Educational supplies	96,504	96,504	303,396
Exam fees	192,043	192,043	176,155
Staff development	393,967	393,967	21,461
School trips	439,503	439,503	342,206
Other direct costs	225,899	225,899	240,918
	<u>6,799,080</u>	<u>6,799,080</u>	<u>6,336,485</u>

**Analysis of support costs**

	<b>Academy 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	944,465	944,465	912,549
Depreciation	502,736	502,736	511,277
Maintenance of premises and equipment	143,334	143,334	482,353
Recruitment and support	9,330	9,330	13,705
Rent, rate and utilities	160,394	160,394	145,218
Cleaning	23,561	23,561	26,144
Insurance	50,017	50,017	49,206
Security and transport	9,811	9,811	12,600
Catering	195,949	195,949	189,160
Bank interest and charges	6,939	6,939	5,196
Other support costs	362,600	362,600	397,926
Governance costs	15,390	15,390	12,864
	<u>2,424,526</u>	<u>2,424,526</u>	<u>2,758,198</u>

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**12. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	27,914	19,985
Depreciation of tangible fixed assets	502,737	511,277
	<u>502,737</u>	<u>511,277</u>

**13. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the academy's Auditor for the audit of the academy's annual accounts	6,900	6,695
Fees payable to the academy's Auditor in respect of:		
All assurance services not included above	555	540
All Non-audit services not included above	4,851	2,260
	<u>4,851</u>	<u>2,260</u>

**14. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	4,889,961	4,691,424
Social security costs	449,289	433,717
Pension costs	1,009,378	991,757
	<u>6,348,628</u>	<u>6,116,898</u>
	<u>6,348,628</u>	<u>6,116,898</u>

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**14. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2019 No.</b>	<b>2018 No.</b>
Teachers	81	90
Admin and support	74	66
Management	8	8
Cleaning	17	14
Catering	10	11
	<u>190</u>	<u>189</u>

**c. Higher paid staff**

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

	<b>2019 No.</b>	<b>2018 No.</b>
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

The above employees participated in the Teachers' Pension Scheme. During the year pension contributions for these employees amounted to £28,336 (2018: £27,249).

**d. 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 and employer National Insurance contributions) received by key management personnel for their services to the academy trust was £533,133 (2018: £582,455).

**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Governors' remuneration and expenses**

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

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
D Burke (Headteacher and Trustee)	Remuneration	100,000 - 110,000	95,000 - 100,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
A Niblett (Teacher and Trustee)	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
D Hazael (Teacher and Trustee)	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
J Newman (Staff and Trustee)	Remuneration	0 - 5,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000
K Wilkey (Staff and Trustee)	Remuneration	10,000 - 15,000	10,000 - 15,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year, no Governors received any benefits in kind (2018 - £Nil).

During the year, no Governors were reimbursed for expenses (2018 - £934 to 13 Governors).

During the year retirement benefits were accruing to 5 Governors (2018: 4) in respect of defined benefit schemes.

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

**16. Governors' and Officers' insurance**

The academy trust 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 Governors 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 Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Computer equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	11,214,190	631,760	157,758	-	12,003,708
Additions	-	21,315	4,766	65,625	91,706
At 31 August 2019	11,214,190	653,075	162,524	65,625	12,095,414
<b>Depreciation</b>					
At 1 September 2018	2,720,211	390,889	134,362	-	3,245,462
Charge for the year	410,710	69,509	22,517	-	502,736
At 31 August 2019	3,130,921	460,398	156,879	-	3,748,198
<b>Net book value</b>					
At 31 August 2019	8,083,269	192,677	5,645	65,625	8,347,216
At 31 August 2018	8,493,979	240,871	23,396	-	8,758,246

**18. Stocks**

	2019 £	2018 £
Sundry Consumables	25,263	20,436

**19. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	20,693	20,005
Other debtors	63,703	16,640
Prepayments and accrued income	192,859	195,271
	277,255	231,916

**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Creditors: Amounts falling due within one year**

	<b>2019</b> £	<b>2018</b> £
Trade creditors	137,052	149,493
Other taxation and social security	228,219	106,689
Other creditors	423,234	343,861
Accruals and deferred income	547,586	177,166
	<u>1,336,091</u>	<u>777,209</u>
	<b>2019</b> £	<b>2018</b> £
Deferred income at 1 September 2018	133,948	261,382
Resources deferred during the year	477,288	133,948
Amounts released from previous periods	(133,948)	(261,382)
	<u>477,288</u>	<u>133,948</u>

The deferred income is primarily comprised of the following amounts, £144,026 (2018: £115,160) relating to school trips which are being run in the 19/20 school year, £285,375 (2018: £NIL) of capital grants for work not commenced at year end and £47,887 relating to sundry items.

**21. Financial instruments**

	<b>2019</b> £	<b>2018</b> £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	2,056,203	1,473,867
Financial assets that are debt instruments measured at amortised cost	41,910	26,357
	<u>2,098,113</u>	<u>1,500,224</u>
	<b>2019</b> £	<b>2018</b> £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(630,585)	(536,572)

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

**22. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated Fund	438,243	-	-	20,871	-	459,114
<b>General funds</b>						
Unrestricted funds	498,728	634,872	(450,405)	(119,679)	-	563,516
<b>Total Unrestricted funds</b>	<b>936,971</b>	<b>634,872</b>	<b>(450,405)</b>	<b>(98,808)</b>	<b>-</b>	<b>1,022,630</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	5,821,305	(6,012,650)	191,345	-	-
Other DfE/ESFA Grants	-	289,970	(289,970)	-	-	-
LEA and other grants	-	488,034	(488,034)	-	-	-
Maths Hub Grant	-	643,677	(643,677)	-	-	-
Other restricted	12,038	635,096	(647,134)	-	-	-
Pension reserve	(1,608,000)	-	(189,000)	-	(841,000)	(2,638,000)
	<b>(1,595,962)</b>	<b>7,878,082</b>	<b>(8,270,465)</b>	<b>191,345</b>	<b>(841,000)</b>	<b>(2,638,000)</b>
<b>Restricted fixed asset funds</b>						
Academy main buildings grant	7,550,000	-	(350,000)	-	-	7,200,000
DfE/ESFA capital grants	1,208,247	184,242	(152,736)	(92,537)	-	1,147,216
	<b>8,758,247</b>	<b>184,242</b>	<b>(502,736)</b>	<b>(92,537)</b>	<b>-</b>	<b>8,347,216</b>



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

**22. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Total Restricted funds</b>	7,162,285	8,062,324	(8,773,201)	98,808	(841,000)	5,709,216
<b>Total funds</b>	8,099,256	8,697,196	(9,223,606)	-	(841,000)	6,731,846

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

[For each fund held during the year provide a description of how the fund has arisen and the nature of any restrictions imposed as well as any material transfers between different classes of funds.]

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.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated Fund	538,243	-	-	(100,000)	-	438,243
<b>General funds</b>						
Unrestricted funds	501,648	692,605	(450,249)	(245,276)	-	498,728
<b>Total Unrestricted funds</b>	1,039,891	692,605	(450,249)	(345,276)	-	936,971

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**22. Statement of funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	5,665,624	(6,145,682)	480,058	-	-
Other DfE/ESFA Grants	-	235,663	(235,663)	-	-	-
LEA and other grants	-	498,039	(498,039)	-	-	-
Other restricted	14,760	1,029,051	(1,031,773)	-	-	12,038
Pension reserve	(1,857,000)	-	(222,000)	-	471,000	(1,608,000)
	<u>(1,842,240)</u>	<u>7,428,377</u>	<u>(8,133,157)</u>	<u>480,058</u>	<u>471,000</u>	<u>(1,595,962)</u>
<b>Restricted fixed asset funds</b>						
Academy main buildings grant	7,900,000	-	(350,000)	-	-	7,550,000
DfE/ESFA capital grants	972,892	531,414	(161,277)	(134,782)	-	1,208,247
	<u>8,872,892</u>	<u>531,414</u>	<u>(511,277)</u>	<u>(134,782)</u>	<u>-</u>	<u>8,758,247</u>
<b>Total Restricted funds</b>	<u>7,030,652</u>	<u>7,959,791</u>	<u>(8,644,434)</u>	<u>345,276</u>	<u>471,000</u>	<u>7,162,285</u>
<b>Total funds</b>	<u><u>8,070,543</u></u>	<u><u>8,652,396</u></u>	<u><u>(9,094,683)</u></u>	<u><u>-</u></u>	<u><u>471,000</u></u>	<u><u>8,099,256</u></u>

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**23. Summary of funds**

**Summary of funds - current year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Designated funds	438,243	-	-	20,871	-	459,114
General funds	498,728	634,872	(450,405)	(119,679)	-	563,516
Restricted funds	(1,595,962)	7,878,082	(8,270,465)	191,345	(841,000)	(2,638,000)
Restricted funds - Class II	8,758,247	184,242	(502,736)	(92,537)	-	8,347,216
	<u>8,099,256</u>	<u>8,697,196</u>	<u>(9,223,606)</u>	<u>-</u>	<u>(841,000)</u>	<u>6,731,846</u>

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	8,347,216	8,347,216
Current assets	2,358,722	-	-	2,358,722
Creditors due within one year	(1,336,092)	-	-	(1,336,092)
Provisions for liabilities and charges	-	(2,638,000)	-	(2,638,000)
<b>Total</b>	<u>1,022,630</u>	<u>(2,638,000)</u>	<u>8,347,216</u>	<u>6,731,846</u>

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**24. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	(1)	-	8,758,247	8,758,246
Current assets	1,383,665	342,554	-	1,726,219
Creditors due within one year	(446,693)	(330,516)	-	(777,209)
Provisions for liabilities and charges	-	(1,608,000)	-	(1,608,000)
<b>Total</b>	<b>936,971</b>	<b>(1,595,962)</b>	<b>8,758,247</b>	<b>8,099,256</b>

**25. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(526,410)	(442,286)
<b>Adjustments for:</b>		
Depreciation	502,736	511,277
Interest receivable	(5,503)	(4,472)
Defined benefit pension scheme cost less contributions payable	142,000	174,000
Defined benefit pension scheme finance cost	47,000	48,000
(Increase)/decrease in stocks	(4,827)	2,219
(Increase)/decrease in debtors	(45,339)	390,336
Increase/(decrease) in creditors	558,882	(431,208)
<b>Net cash provided by operating activities</b>	<b>668,539</b>	<b>247,866</b>

**26. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	5,503	4,472
Purchase of tangible fixed assets	(91,706)	(396,633)
<b>Net cash used in investing activities</b>	<b>(86,203)</b>	<b>(392,161)</b>

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**27. Analysis of cash and cash equivalents**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Cash in hand	2,056,203	1,473,867
<b>Total cash and cash equivalents</b>	<u>2,056,203</u>	<u>1,473,867</u>

**28. Capital commitments**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	136,860	-
	<u>136,860</u>	<u>-</u>

**29. 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 Gloucestershire County Council. Both are multi-employer defined benefit schemes.

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

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.

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**29. 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 £620,000 (2018 - £604,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £353,679 (2018 - £329,654), of which employer's contributions totalled £290,611 (2018 - £269,257) and employees' contributions totalled £ 63,068 (2018 - £60,397). The agreed contribution rates for future years are 28 per cent for employers and an average of 5.78 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**29. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.60	2.70
Pension increase rate (CPI)	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80
Commutation of pensions to lump sums	35.00	35.00

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	21.5	22.4
Females	23.7	24.6
<i>Retiring in 20 years</i>		
Males	22.3	24.0
Females	25.0	26.4

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.

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

	<b>At 31</b>	<b>At 31</b>
	<b>August</b>	<b>August</b>
	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Equities	65	69
Corporate bonds	25	21
Property	8	8
Cash and other liquid assets	2	2
<b>Total market value of assets</b>	<b>100</b>	<b>100</b>

The actual return on scheme assets was £136k (2018 - £95k).

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**29. Pension commitments (continued)**

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

	<b>2019</b> £	<b>2018</b> £
Current service cost	(418,000)	(444,000)
Past service cost	(13,000)	(24,613)
Interest cost	(47,000)	(48,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(478,000)</b>	<b>(516,613)</b>

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

	<b>2019</b> £	<b>2018</b> £
<b>At 1 September</b>	5,159,000	4,934,000
Current service cost	418,000	444,000
Interest cost	151,000	129,000
Employee contributions	66,000	63,000
Actuarial losses/(gains)	977,000	(376,000)
Benefits paid	(40,000)	(35,000)
Losses on curtailments	13,000	-
<b>At 31 August</b>	<b>6,744,000</b>	<b>5,159,000</b>

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

	<b>2019</b> £	<b>2018</b> £
<b>At 1 September</b>	3,551,000	3,077,000
Interest income	104,000	81,000
Actuarial gains	136,000	95,000
Employer contributions	289,000	270,000
Employee contributions	66,000	63,000
Benefits paid	(40,000)	(35,000)
<b>At 31 August</b>	<b>4,106,000</b>	<b>3,551,000</b>



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

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**30. Operating lease commitments**

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

	2019 £	2018 £
Not later than 1 year	25,743	25,208
Later than 1 year and not later than 5 years	60,495	77,987
	<u>86,238</u>	<u>103,195</u>

**31. 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.

**32. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 15.

Owing to the nature of the Academy's operations 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 a Governor 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. The following related party transaction took place in the period of account.

The Academy provides catering support services to Glenfall Primary School. Two of the Governors are also Governors of Glenfall Primary School. The amounts charged in the year totalled £1,200 (2018: £NIL) with £300 outstanding at the year end (2018: £NIL).