

RENDELL PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

RENDELL PRIMARY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	M Bezzano-Griffiths R Bray P Conway
Trustees	M Bezzano-Griffiths (resigned 31 August 2018) K E Rixon, Headteacher R Bray P C Conway K Goodwin Legg P Jurkowski, Staff Trustee (resigned 6 February 2018) E A Macfarlane, Chair C Poxon, Staff Trustee E Staunton A Young C Ward (appointed 2 October 2018) B Islam (appointed 2 October 2018)
Company registered number	08219443
Company name	Rendell Primary School
Principal and registered office	Rendell Street Loughborough LE11 1LL
Senior management team	K Rixon, Headteacher P Jurkowski, Deputy Head
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2 Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
Bankers	NatWest Bank Loughborough Leicestershire LE11 3NZ
Solicitors	Legal Department Leicestershire County Council County Hall Glenfield Leicester LE3 8RB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates as an Academy for pupils aged 4 to 11 serving a catchment area of Loughborough. It has a pupil capacity of 350 and had a roll of 340 on the school census at August 2018. In addition the trust operates a 48 place pre school.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• Constitution

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

The Trustees of Rendell Primary School and are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Rendell Primary School.

The Articles of Association require the Trustees of the charitable company to appoint at least three Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

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 practice the Academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £3,000,000 and in the period under review the sum of £270 inclusive of tax was paid.

• Method of recruitment and appointment or election of Trustees

The Articles outline the different types of Trustee; there are a range of election processes as outlined.

The term of office for any Trustee shall be four years, this time limit shall not apply to the Headteacher or any post which is ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

There shall be a maximum of four Parent Trustees and a minimum of three elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time of election. The term of office will cease when the pupil is no longer registered at the Academy.

There shall be three Staff Trustees who are elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher). If a Staff Trustee ceases to work at the Academy then they shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of their work at the Academy. Any election of a Staff Trustee which is contested shall be held by secret ballot.

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TRUSTEES' REPORT (continued)
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There shall be seven nominated Community Trustees. The members shall appoint four, and the Board of Trustees shall appoint three.

The Board of Trustees can appoint an additional three co-opted Trustees as appropriate. A 'co-opted Trustee' means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Headteacher).

Trustees are subject to retirement or re-election at the end of their four year term of office unless the eligibility conditions listed prevail.

The members who are entitled to appoint Trustees are:

- Mrs M Bezzano Griffiths
- Mr R Bray
- Mr P Conway

● **Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet pupils and staff.

The Academy expects that all Trustees are willing to undertake training to improve their knowledge and understanding of all matters relating to Governance of the Academy. The Academy has a link Trustee who co-ordinates the training, advertising relevant training sessions and keeping records of what training has been attended and what is required. The Academy has signed up to the Local Authority Trustee Training and development programme. We are also a member of the Primary Development group which offers training sessions in the local area.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles as Trustees. Induction takes place as required on joining the Board of Trustees and tailored specifically to the individual.

● **Organisational structure**

The structure of the Academy consists of two senior levels: the Board of Trustees (Board of Directors) and the Headteacher leading the Senior Leadership Team (SLT) which includes Deputy Headteachers and the School Business Manager.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Academy's policies, adopting the Academy improvement plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

The Headteacher and SLT control the Academy at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Trustees review the delegation of functions annually. The Board of Trustees will remain accountable for any decision taken, including those relating to functions delegated to a committee or individual.

The Board of Trustees receives reports in minutes from any individual or committee to whom decisions have been delegated and considers whether further action is necessary.

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TRUSTEES' REPORT (continued)
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Quoracy decisions may only be made if a meeting is quorate. The quorum for the full Board of Trustees meetings is six.

The Board of Trustees have delegated some of its statutory functions to committees and the Headteacher, subject to prescribed restrictions below.

Functions that can be delegated to a committee but cannot be delegated to an individual include those that relate to:

- The alteration, discontinuation or change of category of maintained A.
- The approval of the first formal budget plan of the financial year.
- Academy discipline policies.
- The exclusion of pupils.
- Admissions.

The Board of Trustees cannot delegate any function in relation to:

- The constitution of the Board of Trustees (unless otherwise provided by the Constitution Regulations).
- Appointment or removal of the chair or vice chair.
- The appointment of the Clerk.
- The suspension of the Trustees.
- The delegation of functions.
- The establishment of committees.

Below is the table of delegated tasks at Rendell Primary School

Key Function	No	Task	Full Board of Trustees	Committee of the Board of Trustees	The Head Teacher
Budgets	1	Approve budget plan for financial year	✓		
	2	Monitor monthly expenditure			✓
	3	Establish charging and remissions policy	✓		
	4	Agree financial & procurement policies	✓		
	5	Enter into purchases or contracts (up to £5,000)			✓
	6	Enter into contracts (between £10,000 and OJEU threshold)	✓		
	7	Enter into contracts (over OJEU threshold)	✓		
Staffing	8	Principal appointment	✓		
	9	Vice Principal appointments	✓		
	10	Teaching staff appointments			✓
	11	Nonteaching staff appointments			✓
	12	Pay policy (including discretions)	✓		
	13	Establish disciplinary / capability procedures			✓
	14	Dismissal of Principal	✓		
	15	Dismissal of other staff			✓
	16	Suspension of Principal		✓	
	17	Suspension of other staff			✓
	18	Ending suspension of Principal		✓	
	19	Ending suspension of other staff		✓	

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	20	Determining staffing requirements			✓
	21	Dismissal payments or early retirement		✓	
Curriculum	22	Establish and implement Curriculum Policy			✓
	23	Approval of Curriculum Policy			✓
	24	Responsibility for standards of teaching			✓
	25	Decide which subject options will be taught, including activities outside the school day			✓
	26	Responsibility for individual child's education			✓
	27	Provision of sex education includes establishing and maintaining an up to date policy			✓
	28	To prohibit political indoctrination and ensuring a balanced treatment of political issues			✓
	29	Establish a charging and remissions policy			✓
Performance Management	30	Establish performance management policy and review annually		✓	
	31	Implement performance management policy			✓
Target Setting	32	Set and publish targets for student achievement			✓
Discipline/ Exclusions	33	Establish discipline policy	✓		
	34	Review use of exclusion and decide whether or not to confirm permanent and fixed term exclusions where the student is either excluded for more than 15 days in total in a term or would lose the opportunity to sit a public examination		✓	
	35	Direct reinstatement of excluded students		✓	
Admissions	36	Consult annually before setting a Admissions Policy	✓		
	37	Admissions: application decisions.		✓	
Collective Worship	38	Arrangements for collective worship			✓
Premises & Insurance	39	Buildings insurance and personal liability			✓
	40	Develop Academy buildings strategy	✓		
	41	Procure and maintain buildings, including property funded maintenance plan	✓		
Health & Safety	42	Institute a Health & Safety Policy	✓		
	43	Ensure that health & safety regulations are followed			✓
Academy Organisation	44	Set times of Academy day and dates of Academy terms and holidays			✓
	45	Ensure that Academy meets 380 sessions in a school year			✓
	46	Ensure that Academy lunch nutritional standards are met			✓

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Information for parents	47	Prepare and publish the Academy prospectus			✓
	48	Ensure provision of free school meals to those students meeting the criteria			✓
	49	Adopt and review home school agreements			✓
GB Procedures	50	Appoint (and remove) the chair and vice chair of GB	✓		
	51	Appoint (and dismiss) the clerk to the Trustees	✓		
	52	Hold Full Board of Trustees meeting at least 3 times in an academy year	✓		
	53	Appoint (and remove) community or coopted Trustees	✓		
	54	Set up Register of Trustees' Business Interests	✓		
	55	Approve and set up Trustees Expenses scheme	✓		
	56	Discharge duties in respect of students with special needs by appointing a "responsible person"	✓		
	57	Consider whether or not to delegate functions to individuals or committees	✓		
	58	Regulate the Board of Trustee procedures	✓		
Federations	59	Consider forming a federation or joining and existing federation	✓		
	60	Leave a federation	✓		
Extended Schools	61	Decide to offer additional activities and what form these should take	✓		
	62	Put in place and ensure delivery of services to be provided			✓
	63	Cease providing extended school provision	✓		

Trustees' Committees and Working Parties

The Board of Trustees meets at least six times a year to discharge its legal responsibilities. It no longer has sub committees for finance, health & safety or curriculum and welfare. All the work is done at full committee level and where deemed appropriate working groups are set up and given delegated authority as required to carry out their duties. The Committees that are established have clear terms of reference; committee members are encouraged to provide high levels of challenge. Systems are in place for sharing information between Governors and reporting to the full Board of Trustees. This does not merely reiterate what has already been discussed in detail by the committee but focuses on the key points and decisions.

The Board of Trustees has agreed the following committee structure, which should be reviewed in the Autumn term each year:

Audit Committee
Complaints
Discipline (Pupils)
Staff Dismissal
Dismissal Appeals
Pay Committee

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Complaints Committee will meet as and when required

- To consider any complaint where it has not been possible to resolve the issue at an earlier stage of the Complaints Procedure, initiated at the request of the complainant.

Pupil Discipline Committee will meet as and when required

- To consider and make decisions relating to pupil exclusions in accordance with the agreed procedures.

Staff Dismissal Committee will meet as and when required

- To consider and make decisions relating to staff capability, discipline and dismissal in accordance with procedures.

Pay Committee

- To draft and review the Academy's Pay Policy, including criteria relating to the use of discretionary elements for pay provisions, and to make recommendations.
- To determine salary levels for individual posts in accordance with the Pay Policy.
- To review the performance management policy and monitor its implementation.
- To liaise with the relevant committee to establish the annual and longer term salary budgets and other costs relating to personnel, e.g. training.
- To review the staffing structure as necessary in relation to the Academy Improvement Plan.
- To recommend to the Board of Trustees staff selection procedures, ensuring that they conform with safe recruitment practice, and to review these procedures as necessary.
- To undertake any formal consultations on personnel matters.
- To review and recommend for adoption by the Board of Trustees procedures for dealing with staff discipline and grievance and ensure that the staff are informed of them.
- Should the need arise, to draft, in consultation with staff, criteria for redundancy, for approval by the Board of Trustees.

● **Pay policy for key management personnel**

The school sets all pay and remuneration for key personnel in line with national pay awards and agreements by Local Authorities and trade unions. These are reviewed annually in line with performance management policies and pay policies for both teaching and support staff. The Headteacher presents pending pay and increment awards to the pay committee for approval each year for teaching staff.

The Headteacher's pay award is agreed by the pay committee who are supported by an external adviser with the appropriate qualifications.

● **Connected organisations, including related party relationships**

The school is connected to:

- Loughborough Primary Academy Partnership (LPAP).
- Leicestershire Primary Head Teachers.

Owing to the nature of the Academy's operations and the composition of Trustees being drawn from the local and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have 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.

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TRUSTEES' REPORT (continued)
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OBJECTIVES AND ACTIVITIES

● **Objects and aims**

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

The characteristics of the Academy set down in section 1(6) of the Academies Act 2010 are that

1. The Academy has a broad and balanced curriculum that satisfies the requirements of section 78 of EA 2002.
2. The Academy provides a primary education with an emphasis on active and creative learning.
3. The Academy provides education for pupils with a wide range of abilities.
4. The Academy provides education for pupils predominantly from the local area.

Other conditions and requirements in respect of the Academy are that:

1. The Academy will be at the heart of the community, promoting community cohesion.
2. There will be external assessments of pupils' performance at Year 6 in the form of Statutory Assessment Tests (SATs).
3. The Academy will work in partnership with Loughborough Primary Academy Partnership (LPAP) to support and strengthen achievement in Rendell Primary School and all the LPAP schools in Loughborough.
4. The admissions policy and arrangements for the Academy will be in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained schools.
5. Teachers' levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust save that when entering into a contract of employment with any person the Academy Trust shall be bound by and act in accordance with such guidance as the Secretary of State may publish in relation to the maximum salary that may be paid to employees of Academies.
6. There will be an emphasis on the needs of individual pupils including those with special educational needs or disabilities (SEND).
7. There will be no charge in respect of admission and the school will only charge pupils where the law allows maintained schools to charge.

● **Objectives, strategies and activities**

- The vast majority of children make very good progress during their time at Rendell Primary School.
- That attainment reaches or exceeds national expectations.
- Vulnerable groups make progress that is at least in line with national.
- Ensure teaching is strong across school and assessment is rigorous and accurate.
- Peer coaching within and across the Academy becomes the central tool to improve teaching and share excellent practice.
- To provide a curriculum that has a holistic approach to child centred learning, is enriched by the creative arts and a global dimension that reflects the multicultural ethos of the Academy.
- To develop system leadership in teams to maximise effective management of all curriculum subjects.
- To create an ethos of leadership and challenge at all levels across Academy.
- To have effective and powerful business management systems and protocols that efficiently support the running of an Academy.
- That effective structure ensures that the Board of Trustees can work in stronger partnership with the whole leadership team to produce and review the strategic development plan of the Academy.
- That children develop essential life skills such as determination, resilience and problem solving strategies.
- That our children engage in a rich and healthy activity of sport and fitness understanding its importance to wellbeing.
- To nurture a real sense of social responsibility and respect for others.

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● **Public benefit**

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

- To advance for the public benefit education in Loughborough, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools, offering a broad curriculum.
- To provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare.

STRATEGIC REPORT

● **Key performance indicators**

Quality Assurance checks from the Academy group secured the Academy's judgement of itself, identifying that that in the key areas of Achievement, Teaching and Learning, Leadership and Management and Behaviour the Academy was at least good.

End of Key Stage assessments indicate that progress and attainment for pupils across the Academy is at least good.

Key Financial Performance Indicators

The Pupil Premium Funding was targeted at appointing additional teachers so that the school could reduce class sizes and move to single year groups. This has enabled all children including vulnerable groups to have a higher ratio of quality first teaching, resulting in improved outcomes against all assessment criteria. The gap between vulnerable groups is closer than the national in most year groups and for most groups. Teacher work load is reduced as a result with fewer children to teach and less books to mark.

Teachers are now employed to deliver targeted in-class support for Pupil Premium children and the number of Learning Support Assistants has been reduced.

Appointing a Home School Liaison Officer has led to greater communication with vulnerable families and ensured attendance issues have been well managed. Attendance now sits broadly in line with the national average.

Pupil Premium Funding

Area of Spend	Outcomes for Pupils	Pupil Premium Allocation
Small group intervention with qualified teachers	Targeted use of quality first teaching for both small group and 1:1 teaching to accelerate learning.	£39,000
Targeted intervention work with support staff	Working with pupils on a 1:1 basis and small group work using some specific targeted programmes and general classroom intervention to secure learning.	£15,000
Reading Champions	Pupils receive additional targeted reading support.	£10,000
Achievement for All	A targeted programme used to engage and support families to strengthen collaboration with school.	£8,600
Breakfast Club	Pupils are encouraged to attend breakfast club daily where a hot healthy breakfast is available. This supports pupil's readiness for learning.	£3,500

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After school clubs	A range of clubs run before and after school to provide enriched activities and support health and wellbeing	£7,600
Resources	A range of resources are provided to support the learning needs of Pupil Premium pupils.	£7,940
Parents personalised spending fund	Parents use the fund to purchase uniform and pay for trips.	£5,000
Reserve fund	Funding held to provide any additional support from outreach services, specialist support for individual pupils.	£7,957
Total Funding		£104,597

Achievement

We are very proud of the achievement of all pupils at Rendell Primary School. The children, their parents and the school staff strive to ensure that our children achieve the very best outcomes possible.

From 2016, National Curriculum levels were abolished. Instead, pupils are now given scaled SATs scores in Grammar, Spelling and Punctuation (GPS), Reading and Maths. To calculate a pupil score, their raw test score is converted into a scaled score. This is used to show if the pupil has achieved the national standard for that subject.

Teacher assessment is used to measure attainment in Writing and Science. In writing, pupils were assessed against three standards:

- Working towards the expected standard
- Working at the expected standard (EXP)
- Working at a greater depth within the expected standard (GD)

Results Summer 2018

The table below identifies the percentage of pupils who achieved the expected standard combined with greater depth in each of the three tests and the teacher assessment for writing. It then identifies the percentage of greater depth in each subject.

The expected progress score for Reading, Writing and Mathematics is 0.0 scores above this are better progress than national.

	Combined Reading / Maths		Reading		Writing		GPS		Maths	
	Exp + GD	GD	Exp + GD	GD	Exp + GD	GD	Exp + GD	GD	Exp + GD	GD
School	81%	17%	83%	29%	94%	27%	94%	65%	92%	40%
National	64%	10%	75%	28%	78%	20%	78%	34%	76%	24%
Progress	N/A		0.0		2.2		N/A		3.0	

Attainment and progress over time is at least good and continues to be in line with our last OFSTED rating of good.

Attendance dipped slightly this year at 95% but is still broadly in line with national. The schools Home School Liaison Officer works with identified families to ensure children attend school regularly.

• **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.

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TRUSTEES' REPORT (continued)
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FINANCIAL REVIEW

● **Financial Review**

The Academy had a net decrease in funds for the year ended 31 August 2018 of £10,907 including fixed assets movements but excluding pension reserve movements. As at 31 August 2018 the Academy held £126,659 of unrestricted reserves plus £84,826 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £211,485.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £519,000 at 31 August 2018 and a fixed asset reserve of £2,264,149 (being the book value of past purchases).

There are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy. The principle financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the Academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately £120,000.

Actual free reserves plus unspent GAG as at 31 August 2018 were £211,485, being approximately £91,000 higher than the target level set by the Trustees. The Trustees intend to use the reserves above target on additional capital expenditure in the year to 31 August 2019. Cash at bank at 31 August 2018 was £68,380 higher than total available reserves due principally to accruals timing differences.

At 31 August 2018 the Academy's fixed asset reserve of £2,264,149 represented of funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £519,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns

● **Investments policy**

The academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk. Available rates are reviewed from time to time and where returns are judged sufficient to more than offset the administrative cost of managing deposit funds, such accounts may be used.

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● **Principal risks and uncertainties**

The Academy has a Financial Risk Register in place which is under review by the Board of Trustees and updated as necessary.

The key areas of potential risk are:

- Not operating within its budget and running a deficit.
- Changes in funding.
- Inappropriate or insufficient financial controls and systems.
- Fraudulent activity.
- Financial commitments made without adequate authorisation.
- Reduction in pupil numbers that significantly affects the budget.

The key controls used by the Academy to reduce risk include:

- Formal agendas for the Academy board and committees.
- Schemes of delegation and formal financial regulation.
- Formal written policies.
- Clear authorisation and approval levels.
- Clear segregation of duties.
- Providing' a stimulating, supportive and successful learning environment that ensures families continue to send their children to the academy.

At 31 August 2018 the pension deficit on the Local Government Pension Scheme stood at £519,000. The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

● **Fundraising**

The Academy undertakes a range of fundraising activities across the year to support both national fundraising events such as Children in Need and Comic and Sport Relief. It also from time to time will support local charity events, which benefit the local community as part of its role in supporting and strengthening community cohesion.

Occasionally the Academy will run fundraising activities to provide additional resources for the school as it has no parent fundraising group. Last year parents and the local community helped raise funds to provide trim trail equipment to improve pupil engagement at play times. The Academy will not at any time use fundraising activities to provide day-to-day resources required for teaching and learning. It does not work with commercial or professional fundraisers at any time. Any activity or event held, is on the school site and no pressure to join in or donate is used at any time. All fundraising conforms to recognised standards.

PLANS FOR FUTURE PERIODS

● **Future developments**

The Board of Trustees will keep under review whether it would be appropriate to have an investment policy. The Academy intends to action fully the areas of development as detailed in the Academy Development Plan 2018/19.

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Funds held as custodian

The Academy does not hold any funds as custodian trustees on behalf of others.

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.

Auditors

Following an audit tender it was decided that a new company of auditors be appointed for the three year period from September 2018. The designated Trustees will propose a motion to appoint Haines Watts Leicester LLP at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 4 December 2018 and signed on its behalf by:

E A Macfarlane
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Rendell Primary School 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 5 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
M Bezzano-Griffiths	5	5
K E Rixon, Headteacher	5	5
R Bray	5	5
P C Conway	5	5
K Goodwin Legg	4	5
P Jurkowski	0	3
E A Macfarlane, Chair	5	5
C Poxon	4	5
E Staunton	4	5
A Young	4	5

There have been no significant changes to the board of trustees and how it performs its duties.

Following a move to link Governors to phase leaders, the school has been very successful at closely monitoring improvements linked to the school development plan and standards for all groups of pupils in each phase. Governors now have a much clearer understanding of what the school is doing to bring about improving standards at a micro level where this is appropriate.

The level of data produced for the board has ensured it has a clear and detailed understanding of the schools position throughout the year. It has also provided external training on data interpretation for the new academic year.

Governance Reviews

Governors have continued to challenge the school leadership team holding it accountable for the standard of education for all groups of pupils and sound financial management. All key legal duties have been carried out with due diligence and attendance at meetings has been mostly consistent.

To strengthen Governance the Trustees have continued to attend and engage in network meetings with Loughborough Primary Academy Partnership to help strengthen self evaluation and external review. It has in addition taken advice from MATs in other regions of the country including Birmingham, Devon and Bristol to further qualify judgements of the school.

The school development plan has been reviewed in light of suggestions from the recent Ofsted Inspection resulting in a plan more sharply focused on pupils' attainment and progress, including disadvantaged pupils.

RENDELL PRIMARY SCHOOL
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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 pupils acquire key life skills through developing growth mind set and problem solving. have been provided with support from leaders to help them ensure the successful implementation of this new curriculum area.
- By continuing to invest in high quality CPD to further improve the quality of teaching across the school developing multi surface learning alongside active learning and peer to peer mentoring.
- Strengthening the use of Abacus in mathematics & Read Write Inc in English
Introduced project based learning to improve the quality of engagement and learning in foundation subjects

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Rendell Primary School for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Full Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Chadwick Consultancy Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the

RENDELL PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On an annual basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No internal audit took place this year. Due to a sudden change in School Business Manager, the Board of Trustees deemed it prudent to engage two different School Business Manager Consultants to support the school through the changes. This process ensured that detailed reviews of financial management was undertaken at various times throughout the year. It therefore deemed a further internal audit unnecessary this year.

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 internal auditor;
- the work of the external auditors;
- 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 4 December 2018 and signed on their behalf, by:

E A Macfarlane
Chair of Trustees

K E Rixon
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Rendell Primary School I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.

K E Rixon
Accounting Officer

Date: 4 December 2018

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued 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 2017 to 2018;
- 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 DfE Group 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 4 December 2018 and signed on its behalf by:

E A Macfarlane
Chair of Trustees

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RENDELL PRIMARY SCHOOL**

Opinion

We have audited the financial statements of Rendell Primary School (the 'Academy') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating income and expenditure account, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 2018 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 2017 to 2018 issued by the Education and 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 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 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.

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. 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RENDELL PRIMARY SCHOOL**

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 for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report has 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.

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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RENDELL PRIMARY SCHOOL**

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.

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants
Statutory Auditors

Unit 2
Charnwood Edge Business Park
System Road
Cossington
Leicestershire
LE7 4UZ
20 December 2018

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Rendell Primary School during the year 1 September 2017 to 31 August 2018 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 Rendell Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Rendell Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rendell Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Rendell Primary School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Rendell Primary School's funding agreement with the Secretary of State for Education dated 29 October 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RENDELL
PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Magma Audit LLP

Unit 2
Charnwood Edge Business Park
System Road
Cossington
Leicestershire
LE7 4UZ

20 December 2018

RENDELL PRIMARY SCHOOL
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Note					
INCOME FROM:					
Donations and capital grants	2	-	-	7,713	14,747
Charitable activities	3	-	1,563,312	-	1,572,911
Other trading activities	4	89,342	-	-	90,518
TOTAL INCOME		89,342	1,563,312	7,713	1,660,367
EXPENDITURE ON:					
Raising funds		54,832	-	-	54,997
Charitable activities		-	1,610,519	86,923	1,697,623
TOTAL EXPENDITURE	5	54,832	1,610,519	86,923	1,752,274
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between funds	15	34,510	(47,207)	(79,210)	(74,444)
		-	(27,369)	27,369	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		34,510	(74,576)	(51,841)	(74,444)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	206,000	-	(14,000)
NET MOVEMENT IN FUNDS		34,510	131,424	(51,841)	114,093
RECONCILIATION OF FUNDS:					
Total funds brought forward		92,149	(565,598)	2,315,990	1,842,541
TOTAL FUNDS CARRIED FORWARD		126,659	(434,174)	2,264,149	1,842,541

The notes on pages 27 to 47 form part of these financial statements.

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REGISTERED NUMBER: 08219443

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11		2,264,149		2,315,990
CURRENT ASSETS					
Stocks	12	2,175		2,058	
Debtors	13	41,912		40,911	
Cash at bank and in hand		279,865		233,874	
			323,952		276,843
CREDITORS: amounts falling due within one year	14	(112,467)		(106,292)	
NET CURRENT ASSETS			211,485		170,551
TOTAL ASSETS LESS CURRENT LIABILITIES			2,475,634		2,486,541
Defined benefit pension scheme liability	19	(519,000)		(644,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			1,956,634		1,842,541
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income funds	15	84,826		78,402	
Fixed asset funds	15	2,264,149		2,315,990	
Restricted funds excluding pension liability		2,348,975		2,394,392	
Pension reserve		(519,000)		(644,000)	
Total restricted funds			1,829,975		1,750,392
Unrestricted income funds	15		126,659		92,149
TOTAL FUNDS			1,956,634		1,842,541

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

E A Macfarlane
Chair of Trustees

The notes on pages 27 to 47 form part of these financial statements.

RENDELL PRIMARY SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018	2017
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	17	73,360	83,869
Cash flows from investing activities:			
Purchase of tangible fixed assets		(35,082)	(68,657)
Capital grants from DfE and other capital income		7,713	14,747
Net cash used in investing activities		(27,369)	(53,910)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at 1 September 2017		233,874	203,915
Cash and cash equivalents at 31 August 2018	18	279,865	233,874

The notes on pages 27 to 47 form part of these financial statements.

RENDELL PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Rendell Primary School constitutes a public benefit entity as defined by FRS 102.

1.2 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

RENDELL PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants. The land and buildings are held on a 125 year lease with the Local Authority. The cost of the land and buildings was arrived at using the ESFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Leasehold buildings	-	2% straight line
Leasehold land (125 year lease)	-	over 125 years
Furniture and fixtures	-	25% straight line
Computer equipment	-	33% straight line

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

1.7 OPERATING LEASES

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 STOCKS

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 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 recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

The academy only holds basic financial instruments as defines in FRS102. The financial assets and financial liabilities of the academy and their measurement basis is 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 as 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 costs as detailed in note 14. 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 no obligation to deliver services rather than cash or another financial instrument.

1.12 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 PENSIONS

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

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.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2018. 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 assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	-	-	-	7,158
Capital grants	-	-	7,713	7,713	7,589
	-	-	7,713	7,713	14,747
Total 2017	-	-	14,747	14,747	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,379,173	1,379,173	1,389,088
Other DfE Group grants	-	173,306	173,306	165,546
	-	1,552,479	1,552,479	1,554,634
Other government grants				
Local Authority grants	-	7,833	7,833	18,277
	-	7,833	7,833	18,277
Other funding				
Tesco Bags of Help	-	3,000	3,000	-
	-	3,000	3,000	-
	-	1,563,312	1,563,312	1,572,911
Total 2017	-	1,572,911	1,572,911	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Pre-School (nursery)	74,833	-	74,833	78,456
Lettings income	9,024	-	9,024	9,520
Other income	5,485	-	5,485	2,542
	89,342	-	89,342	90,518
Total 2017	90,518	-	90,518	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	49,622	-	5,210	54,832	54,997
Educational Operations:					
Direct costs	1,161,350	65,192	67,515	1,294,057	1,250,681
Support costs	151,403	92,094	159,888	403,385	446,942
	1,362,003	157,286	232,613	1,752,274	1,752,620
	1,389,660	153,052	209,908	1,752,620	
Total 2017					

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	861,329	843,499
Teaching and educational support staff costs - NI	80,282	78,175
Teaching and educational support staff costs - pensions	219,739	204,068
LGPS pension interest cost (£41,000) less return on assets (£24,000)	17,000	12,000
Educational supplies	35,423	30,517
Staff development	15,092	12,524
Other direct costs	-	11,863
Depreciation	65,192	58,035
	1,294,057	1,250,681
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	122,997	164,509
Support staff costs - NI	6,658	10,947
Support staff costs - pensions	21,748	26,977
Recruitment	607	667
Maintenance of premises and equipment	22,463	22,560
Cleaning	7,300	5,160
Rates	6,334	7,962
Insurance	20,715	26,355
Depreciation	21,731	19,345
Catering	61,352	57,242
Other support costs	80,180	64,022
Security and transport	2,244	1,579
Technology costs	6,210	18,420
Energy costs	13,551	13,635
Governance	9,295	7,562
	403,385	446,942
	1,697,442	1,697,623

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - capitalised by the charity	86,923	77,380
Auditors' remuneration - audit	5,410	5,200
Auditors' remuneration - other services	702	1,987
Operating lease rentals	4,312	4,952
	97,347	89,519

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,022,836	1,048,980
Social security costs	89,078	91,378
Pension costs	250,089	237,439
	<hr/>	<hr/>
	1,362,003	1,377,797
Agency staff costs	-	11,863
	<hr/>	<hr/>
	1,362,003	1,389,660
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	23	19
Administration and support	33	36
Management	1	1
	<hr/>	<hr/>
	57	56
	<hr/> <hr/>	<hr/> <hr/>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for this staff member amounted to £11,710 (2017: £11,040).

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 £182,395 (2017: £172,676). These figures include salary costs of all Trustees employed by the Academy, even where they have no management role within their employment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

K Rixon (Headteacher and Trustee)

Remuneration £70,000 - £75,000 (2017: £65,000 - £70,000)

Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

C Poxon (Staff Trustee)

Remuneration £15,000 - £20,000 (2017: £15,000 - £20,000)

Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, travel and subsistence expenses totaling £NIL were reimbursed to one Trustee (2017: £10).

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £270 (2017 - £406).

11. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Total £
COST				
At 1 September 2017	2,436,879	88,826	77,371	2,603,076
Additions	14,796	-	20,286	35,082
At 31 August 2018	<u>2,451,675</u>	<u>88,826</u>	<u>97,657</u>	<u>2,638,158</u>
DEPRECIATION				
At 1 September 2017	199,166	48,787	39,133	287,086
Charge for the year	43,922	16,359	26,642	86,923
At 31 August 2018	<u>243,088</u>	<u>65,146</u>	<u>65,775</u>	<u>374,009</u>
NET BOOK VALUE				
At 31 August 2018	<u>2,208,587</u>	<u>23,680</u>	<u>31,882</u>	<u>2,264,149</u>
At 31 August 2017	<u>2,237,713</u>	<u>40,039</u>	<u>38,238</u>	<u>2,315,990</u>

See note 1.3 regarding assets transferred on conversion.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. STOCKS

	2018 £	2017 £
Classroom and other materials	<u>2,175</u>	<u>2,058</u>

13. DEBTORS

	2018 £	2017 £
Trade debtors	1,380	-
VAT recoverable	4,020	12,253
Prepayments and accrued income	36,512	28,658
	<u>41,912</u>	<u>40,911</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	362	63
Other taxation and social security	20,414	21,969
Other creditors	22,834	23,339
Accruals and deferred income	68,857	60,921
	<u>112,467</u>	<u>106,292</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	49,792	31,324
Resources deferred during the year	62,746	49,792
Amounts released from previous years	(49,792)	(31,324)
Deferred income at 31 August 2018	<u>62,746</u>	<u>49,792</u>

The closing balance of deferred income relates to Universal Infant Free School Meals and Free Early Educational Entitlement income received in advance of the 2018/19 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	92,149	89,342	(54,832)	-	-	126,659
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	78,402	1,379,174	(1,345,381)	(27,369)	-	84,826
Pupil Premium	-	104,597	(104,597)	-	-	-
Other DfE Group grants	-	68,708	(68,708)	-	-	-
Other funding	-	3,000	(3,000)	-	-	-
Other government grants	-	7,833	(7,833)	-	-	-
Pension reserve	(644,000)	-	(81,000)	-	206,000	(519,000)
	<u>(565,598)</u>	<u>1,563,312</u>	<u>(1,610,519)</u>	<u>(27,369)</u>	<u>206,000</u>	<u>(434,174)</u>
RESTRICTED FIXED ASSET FUNDS						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
DfE Group capital grants	23,745	7,713	(7,580)	-	-	23,878
Transfer from Local Authority	2,165,327	-	(42,068)	-	-	2,123,259
Fundraising income	7,009	-	(1,790)	-	-	5,219
Capital expenditure from GAG	119,909	-	(35,485)	27,369	-	111,793
	<u>2,315,990</u>	<u>7,713</u>	<u>(86,923)</u>	<u>27,369</u>	<u>-</u>	<u>2,264,149</u>
Total restricted funds	<u>1,750,392</u>	<u>1,571,025</u>	<u>(1,697,442)</u>	<u>-</u>	<u>206,000</u>	<u>1,829,975</u>
Total of funds	<u><u>1,842,541</u></u>	<u><u>1,660,367</u></u>	<u><u>(1,752,274)</u></u>	<u><u>-</u></u>	<u><u>206,000</u></u>	<u><u>1,956,634</u></u>

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

Restricted funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been spent in full within the year.

The DfE Group restricted funds grants consists of Universal Infant Free School Meals (UIFSM) and PE Sport Grant. All funds have been spent in full within the year.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

Other funding relates to Tesco bags of help income received from Tesco from the sale of shopping bags. All funds have been spent in full within the year.

Other government grants consist of High Level Needs funding which has been fully spent within the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to the value of £2,359,000 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the academy on conversion. The closing balance relates to the net book value of the assets concerned.

Fundraising income relates to fundraising events carried out by staff and pupils to raise money to purchase some playground equipment for the school. The closing balance is the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	56,628	90,518	(54,997)	-	-	92,149
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	108,935	1,389,088	(1,365,711)	(53,910)	-	78,402
Pupil Premium	-	105,896	(105,896)	-	-	-
Other DfE Group grants	-	70,017	(70,017)	-	-	-
Other income	-	7,910	(7,910)	-	-	-
Other government grants	4,709	-	(4,709)	-	-	-
Pension reserve	(564,000)	-	(66,000)	-	(14,000)	(644,000)
	<u>(450,356)</u>	<u>1,572,911</u>	<u>(1,620,243)</u>	<u>(53,910)</u>	<u>(14,000)</u>	<u>(565,598)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DfE Group capital grants	22,898	7,589	(6,742)	-	-	23,745
Transfer from Local Authority	2,207,395	-	(42,068)	-	-	2,165,327
Fundraising income	-	7,158	(149)	-	-	7,009
Capital expenditure from GAG	94,420	-	(28,421)	53,910	-	119,909
	<u>2,324,713</u>	<u>14,747</u>	<u>(77,380)</u>	<u>53,910</u>	<u>-</u>	<u>2,315,990</u>
Total restricted funds	<u>1,874,357</u>	<u>1,587,658</u>	<u>(1,697,623)</u>	<u>-</u>	<u>(14,000)</u>	<u>1,750,392</u>
Total of funds	<u>1,930,985</u>	<u>1,678,176</u>	<u>(1,752,620)</u>	<u>-</u>	<u>(14,000)</u>	<u>1,842,541</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,264,149	2,264,149
Current assets	126,659	197,293	-	323,952
Current liabilities	-	(112,467)	-	(112,467)
Pension scheme liability	-	(519,000)	-	(519,000)
	<u>126,659</u>	<u>(434,174)</u>	<u>2,264,149</u>	<u>1,956,634</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,315,990	2,315,990
Current assets	92,149	184,694	-	276,843
Current liabilities	-	(106,292)	-	(106,292)
Pension scheme liability	-	(644,000)	-	(644,000)
	<u>92,149</u>	<u>(565,598)</u>	<u>2,315,990</u>	<u>1,842,541</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(91,907)	(74,444)
Adjustment for:		
Depreciation charges	86,923	77,380
(Increase)/decrease in stocks	(117)	2,869
(Increase)/decrease in debtors	(1,001)	2,717
Increase in creditors	6,175	24,094
Capital grants from DfE and other capital income	(7,713)	(14,747)
Defined benefit pension scheme cost less contributions payable	64,000	54,000
Defined benefit pension scheme finance cost	17,000	12,000
	<hr/>	<hr/>
Net cash provided by operating activities	73,360	83,869
	<hr/> <hr/>	<hr/> <hr/>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	279,865	233,874
	<hr/>	<hr/>
Total	279,865	233,874
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's 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 Leicestershire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £22,834 were payable to the schemes at 31 August 2018 (2017 - £23,339) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £112,324 (2017 - £108,396).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £93,000 (2017 - £95,000), of which employer's contributions totalled £74,000 (2017 - £75,000) and employees' contributions totalled £19,000 (2017 - £20,000). The agreed contribution rates for future years are 23.4 - 24.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.30 %	3.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	664,000	624,000
Bonds	289,000	186,000
Property	96,000	75,000
Cash	21,000	47,000
	<hr/>	<hr/>
Total market value of assets	1,070,000	932,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £47,000 (2017 - £216,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2017 for the year to 31 August 2018, or date of joining the fund if later).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(138,000)	(129,000)
Interest income	24,000	14,000
Interest cost	(41,000)	(26,000)
	<hr/>	<hr/>
Total	(155,000)	(141,000)
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	1,576,000	1,186,000
Current service cost	138,000	129,000
Interest cost	41,000	26,000
Employee contributions	19,000	20,000
Actuarial (gains)/losses	(183,000)	216,000
Benefits paid	(2,000)	(1,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,589,000	1,576,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	932,000	622,000
Interest income	24,000	14,000
Actuarial gains	23,000	202,000
Employer contributions	74,000	75,000
Employee contributions	19,000	20,000
Benefits paid	(2,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,070,000	932,000
	<hr/> <hr/>	<hr/> <hr/>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2018:	Approximate % increase to Employer Liability £	Approximate monetary amount £
0.5% decrease in Real Discount Rate	14 %	228,000
0.5% increase in the Salary Increase Rate	3 %	48,000
0.5% increase in the Pension Increase Rate	11 %	177,000

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20. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	4,199	4,312
Between 1 and 5 years	3,255	7,454
Total	7,454	11,766

21. 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.

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

H Rixon and S Rixon Fox, daughter and daughter in law of K E Rixon, Headteacher and trustee, are employed by the academy trust as teachers. H Rixon and S Rixon Fox's appointment was made in open competition and K E Rixon was not involved in the decision making process regarding appointment. H Rixon and S Rixon Fox are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationships to a trustee.

No other related party transactions took place in either the current or prior period, other than certain trustees' remuneration and expenses already disclosed in note 9.