

Private and confidential

# **Countesthorpe Leysland Community College Management letter**

For the year ended 31 August 2018





# Introduction

Dear Trustees

We are required under auditing standards to write to you following completion of our audit for the year ended 31 August 2018.

Please note that our audit work is carried out on a test basis and matters may exist which were not detected during our audit. The matters set out in this letter may, therefore, not be exhaustive.

We emphasise that any matters set out in this report came to our attention during the course of our normal audit work which is designed to enable us to express an opinion on the financial statements of the academy trust. This letter is addressed to the board of trustees and its contents are solely for their use and should not be disclosed to any other party. We do not accept any responsibility or liability to any third party to whom this letter is shown or into whose hands it may come.

**Accounting practices and financial reporting such as accounting policies, accounting estimates and financial statement disclosures**

There is nothing we wish to draw to your attention in this respect.

**Material weaknesses in Internal Control**

We are required under auditing standards to report any material matters, discovered during our audit work, which indicate weaknesses in your records, accounting systems or systems of control together with our recommendations for action.

We have not identified any material weaknesses in internal control or areas for improvement.

Our audit procedures are designed with a view to enabling us to form an opinion on each academy trust's financial statements and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist, or of all the improvements that might be made.

Finally, we would like to thank you and your team for your assistance during our audit.

Yours faithfully

*PKF Cooper Parry Group Ltd*

**PKF Cooper Parry Group Limited**

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy trust's financial statements and, as relevant, your assurance engagement on regularity for the year ended 31 August 2018. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

**General**

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 9 October 2018, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy trust have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy trust, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with the Education and Skills Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 There are no uncorrected misstatements.

**Internal control and fraud**

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

**Assets and liabilities**

- 9 The academy trust has satisfactory title to all assets and there are no liens or encumbrances on the academy trust's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

**Accounting estimates**

- 12 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**Loans and arrangements**

- 13 The academy trust has not granted any advances or credits to, or made guarantees on behalf of directors other than those disclosed in the financial statements.

**Legal claims**

- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

#### Law and regulations

- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

#### Related parties

- 16 Related party relationships and transactions, comply with the academy trust's financial regulations, relevant requirements of the Academies Financial Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

#### Subsequent events

- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

#### Going concern

- 18 We believe that the academy trust's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy trust's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy trust's ability to continue as a going concern need to be made in the financial statements.

#### Grants and donations

- 19 Grants made by the Department of Education and Education and Skills Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 20 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully



Signed on behalf of the board of trustees

Date 18 December 2018



PKF Cooper Parry Group Limited  
Park View  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as I consider necessary in connection with your assurance report on regularity to Countesthorpe Leysland Community College and the Education and Skills Funding Agency (ESFA) for the year ended 31 August 2018. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy me that I can make each of the following representations. All representations are made to the best of my knowledge and belief.

**General**

- 1 I have fulfilled my responsibilities as accounting officer under the requirements of the funding agreement between Countesthorpe Leysland Community College and the Secretary of State for Education and the Academies Financial Handbook 2017.
- 2 I acknowledge my personal responsibility to Parliament for the regularity and propriety of the public finances for which I am answerable; for the keeping of proper accounts; for effective internal controls; for prudent and economical administration; for the avoidance of waste and extravagance; for achieving value for money; and for the efficient and effective use of all the resources in my charge.
- 3 I acknowledge my responsibility to notify the governing body and the ESFA of any instances of material irregularity or impropriety, or non-compliance with the terms of the academy trust's funding agreement and have had due regard to the requirements of the Academies Financial Handbook 2017 in performing this duty.
- 4 Any instances of material irregularity, impropriety, or non-compliance discovered to date have been notified to the governing body and the ESFA.
- 5 Significant matters of which you should be aware have been brought to your attention including any instances of irregularity, impropriety or non-compliance with laws and regulations specific to the academy trust's authorising framework.
- 6 Full and free access has been granted to the all records, correspondence, information and explanations that you have considered necessary to enable you to perform your work.

Yours faithfully



Accounting Officer

Date... 19/12/2018 .....

COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE

(A company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

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**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	R Fairhurst S Keyte S Lomasney S Uprichard R Wall
<b>Governors</b>	S Uprichard, Chair of Governors C Aitcheson, Principal (appointed 1 December 2017) A Bluff J Chinery J Cox (resigned 28 June 2018) J Hayes K Hollingshead S McDonald E Perkins R Wall K Keaveny (resigned 16 March 2018) S Knott (resigned 31 August 2018) J Sleath (resigned 31 May 2018)
<b>Company registered number</b>	09857254
<b>Company name</b>	Countesthorpe Leysland Community College
<b>Principal and registered office</b>	Winchester Road Countesthorpe Leicestershire LE8 5PR
<b>Company secretary</b>	S Kaur
<b>Senior management team</b>	J Sleath, Principal (resigned 31 May 2018) C Aitcheson, Vice Principal T Gartside, Senior Assistant Principal D Thurston, Senior Assistant Principal E Birch, Assistant Principal S Kaur, Business Manager K Russell, Assistant Principal

**COUNTRESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Independent auditors**      PKF Cooper Parry Group Limited  
Statutory Auditors  
Park View  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

**Bankers**                      Natwest Bank Plc  
7 Hinckley Road  
Leicester  
Leicestershire  
LE3 0TQ

**Solicitors**                    Leicestershire County Council  
Legal Services  
County Hall  
Glenfield  
Leicestershire  
LE3 8RA

**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

The trust operates an academy for students aged 11 to 19 serving a catchment area in South Leicestershire. It has a student capacity of 1,795 and had a roll of 1,477 in the school census in October 2017.

The Leicestershire age range context was relevant to the decision to merge Countesthorpe Community College and Leysland High School. Countesthorpe Community College was a 14-19 secondary school in South Leicestershire. It had over 1,000 students on roll, with over 360 normally entering Year 10, and approximately 300 students in the 6th Form. Traditionally, students attending Countesthorpe Community College came from two main feeder high schools; Leysland High School from where 99% of students transfer at the end of Year 9 and Thomas Estley Community College, from where 60% of students transfer at the end of Year 9.

Leysland High School was an 11-14 high school based on the same campus as Countesthorpe Community College. It was a very successful high school being awarded 'Outstanding' at its last two OFSTED Inspections, the most recent being in April 2013. Leysland High School had just over 600 students in Years 7, 8 and 9 with approximately 42% of them coming from out of the catchment area with a significant number of them from Leicester City. The decision for Thomas Estley Community College to change its age range would have had a significantly negative effect upon Countesthorpe College as a 14 to 19 Upper School, as numbers attending the College at Key stage 4 would almost halve with a significant impact on funding, staffing levels and the curriculum offer. Consequently the decision to merge Countesthorpe College with Leysland High School was a strategic one supported by sound educational principles and good business sense. It was undoubtedly the correct decision given the local circumstances and what was happening across Leicestershire.

The current situation is such that the catchment area of Countesthorpe, Blaby, Whetstone and the outlying villages has a thriving community. Plans are in place for a significant increase in housing throughout Blaby District over the next seven years which will see an increased demand for secondary school places, this is already evident in the Primary Phase. Without the merger, the impact on student numbers at Countesthorpe College would seriously damage its long-term viability and significantly erode the curriculum offer and Key Stage 4 and 5, staffing levels and the diversity of staff expertise.

### **One 11 to 19 Secondary School**

The Governors of Countesthorpe Community College and Leysland High School met separately to consider the proposal for the two secondary schools to merge to become one new 11-19 secondary school. Following discussions and a review of the responses to the consultation, Governors of both schools unanimously agreed to become one 11-19 secondary school on 1 September 2016. Approval by the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), was received in July 2015 for both schools to close and a new 11-19 school to be opened. The timescale being proposed was seen as achievable with plans for the new 11-19 school to be opened on 1 September 2016. Therefore, on 1 September 2016 Countesthorpe Community College Trust merged with Leysland High School to create a new entity under the name of Countesthorpe Leysland Community College. All assets and liabilities were transferred to the new entity at their carrying value.



**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Capacity**

The new 11 to 19 school had its first admission to Year 7 in 2016 and provided education for Year 7 to Year 13 as one school. The new school has a capacity for up to 1,795 students with up to 350 students in a successful high quality Sixth Form provision.

**The Rationale of Becoming One School**

The ultimate aim is to provide a coherent educational provision for all young people aged 11 to 19 at one school, on one site, taught by one staff, employed by one Governing Board, creating one learning community. This will offer continuity and progression to all young people attending the school, provide a wide range of learning opportunities and experiences and prepare them for the challenges of adult life. A continuous learning experience is at the heart of this proposal, removing the transition dip between Key Stages 3 and 4 and knowing the child and family throughout their secondary education, will help to bring about a more meaningful and purposeful education for all concerned.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Governors of Countesthorpe Leysland Community College are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Countesthorpe Leysland Community College.

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

The Academy was incorporated on 4 November 2015 and commenced activities on 1 September 2016.

The principal object of the Academy is to provide and promote high academic standards supported by pastoral care and guidance ensuring students achieve their best and are able to contribute to the community. The Academy has the following aims and values which it shares with staff, parents and students:

- The creation of a social ethos that encourages a sense of security, mutual respect and tolerance for all.
- The provision of effective courses and learning experiences which provide the maximum opportunity for all students to develop their academic, physical and other abilities, to achieve the best qualifications possible and enable student to progress further in education and employment.
- The recruitment of high quality staff and a continuing investment in their training and development.
- The encouragement of a wide range of extracurricular activities, which will enrich the experience of the individual and the community as a whole.
- The maintenance of a safe and pleasant physical environment, which supports the learning and other activities to the college community.
- The development of links with the wider community to enable students to place the work of the college within a proper context.
- The support of Community Learning and the utilisation of the Academy facilities to further recreation and education within the locality.

The curriculum is reviewed annually to ensure it meets the needs of all its learners and ensures that the objects of the Academy are met. Staffing organisation within the Academy supports the Academy's objective with a focus on learning and teaching. The Academy operates an Equal Opportunities Policy, in line with the Equality

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Act 2010. The Academy is able to accommodate students or staff with disabilities. The Academy works with employers and other educational partners to achieve its objectives.

**b. Members' liability**

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

**c. Governors' indemnities**

In accordance with normal commercial practice, the Academy purchases insurance to protect Governors and officers from claims arising from negligent act, errors or omissions whilst on College business. The cover under this policy is £5m.

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

The Academy currently has 9 Governors including the Principal and is required to have a minimum of 3 and is not subject to a maximum. Parent governors are elected by paper ballot of parents should there be more applicants than vacancies. They must be parents at the time of their election. Staff governors are elected by staff at the Academy. Co opted governors must live or work in the community served by the Academy or are, in the opinion of the Governing Board, committed to the governance and success of the Academy. All governors, except the Principal, are appointed for four years and may be re-elected or re-appointed.

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

All Governors are provided with access to the Governor Portal, where there are copies of policies, procedures, minutes, budget plans and other documents which they need to fulfil their role. Induction is tailored specifically to the needs of the individual. The Chair of Governors is a National Leader of Governance (NLG) and as such conducts outreach work and supports other Governing Boards and their governance processes. All Governors are provided with access to the National Governance Association's website and access to the Local Authority Governor Development Services. The Training and Development link governor ensures that all governors have access to up to date information on training opportunities. Each curriculum area has an identified 'link governor' who visits the department during the year and reports back to the Governing Board.

**f. Organisational structure**

This is set out in the Terms of Reference in the Scheme of Delegation. The Governing Board is the key strategic decision-making body of the school. It sets the College's strategic framework and ensures all statutory duties are met. The Governors are responsible for setting general policy, adopting an Annual Plan and Budget, ensuring funding is spent in line with the Funding Agreement and working within any restrictions. Expenditure is monitored by reports to the Resources and Audit Committee and Full Governing Board. The Governors make major decisions in relation to expenditure and capital.

There are three main committees, Resources and Audit, Personnel, and Achievement and Learning. The Health and Safety Committee and Pay Committee feed into the Resources and Audit Committee and Personnel Committee respectively.

The Leadership Team 2017/18 comprised the Principal, 1 Vice Principal, 2 Senior Assistant Principals, 2 Assistant Principals and the Business Manager. Due to the long term absence of the Principal, the Governing Board put in place a temporary structure to the end of the Academic Year 2017/18. This comprised of seconding the Vice Principal to the Principal post, 2 Senior Assistant Principals, 2 Assistant Principals, the Business Manager and 3 Senior Teachers. The Leadership Team managed the Academy at an executive level, implementing the policies laid down by the Governors and reported back to them. The Principal is the Accounting Officer. Other leaders of the College include Heads of House, Heads of Department, support staff team leaders

**COUNTERTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

and the South Leicestershire Behaviour Partnership Co-ordinator. They are responsible for the authorisation of spending within agreed budgets. All limits on expenditure are set in the Financial Policy. The regulations also indicate when the Academy needs to obtain three quotes or conduct a formal tender process.

The Governing Board recognises the requirement that all pay progression decisions must be linked to the annual appraisal of performance. The Pay Committee will review the performance of the Principal annually against the performance objectives and where objectives have been met and where the Principal has demonstrated sustained high quality of performance, with particular regard to leadership, management and student progress, an incremental pay point may be awarded.

**g. Pay policy for key management personnel**

The Governing Board seek to ensure that all staff are valued and receive proper recognition and remuneration for their work and contribution to the Academy. The Governing Board adheres to the School Teachers' Pay and Conditions Document (STPCD) 2017 and the National Joint Council for Local Government Services national agreement on Pay and Conditions of Service. All teaching staff salaries are reviewed annually by the Pay Committee by 31 October, and the Principal's Annual Review by 31 December. The Pay Committee will set a 7 point Individual School Range (ISR) in accordance with the STPCD for the Principal and a 5 point ISR for the Vice and Assistant Principals.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	184

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

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

Total cost of facility time	£ 660
Total pay bill	7,840,892
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**i. Connected organisations, including related party relationships**

The Academy is a member of the South Leicestershire Learning Partnership and is also the host school for the South Leicestershire Behaviour Partnership and manages the provision across South Leicestershire.

**Objectives and Activities**



**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**a. Objects and aims**

As set out in our Funding Agreement and Memorandum of Association, the Academy's object is specifically restricted to advancing for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering of a broad and balanced curriculum. This includes providing educational facilities and services to all students of all ages and the wider community for public benefit.

**b. Objectives, strategies and activities**

The Academy promotes high academic standards supported by pastoral care and guidance ensuring students achieve their best and are able to contribute to the community.

The Academy has the following aims and values which it shares with staff, parents and students:

- The creation of a social ethos that encourages a sense of security, mutual respect and tolerance for all.
- The provision of effective courses and learning experiences which provide the maximum opportunity for all students to develop their academic, physical and other abilities, to achieve the best qualifications possible and enable student to progress further in education and employment.
- The recruitment of high quality staff and a continuing investment in their training and development.
- The encouragement of a wide range of extracurricular activities, which will enrich the experience of the individual and the community as a whole.
- The maintenance of a safe and pleasant physical environment, which supports the learning and other activities to the college community.
- The development of links with the wider community to enable students to place the work of the college within a proper context.
- The support of Community Learning and the utilisation of the Academy facilities to further recreation and education within the locality.

The curriculum is reviewed annually to ensure it meets the needs of all its learners and ensures that the objects of the Academy are met. Staffing organisation within the Academy supports the Academy's objective with a focus on learning and teaching. The Academy operates an Equal Opportunities Policy, in line with the Equality Act 2010. The Academy is able to accommodate students or staff with disabilities. The Academy works with employers and other educational partners to achieve its objectives.

**c. Public benefit**

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty bestowed on them. The Academy provides education for the public benefit in the South Leicestershire area as well as a wide range of community programmes for the wider community. Facilities can be booked by the community and the Academy provides full day care nursery provision.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Achievements and performance**

**Strategic report**

**a. Key performance indicators**

- Student achievement is the Academy's key performance indicator as this is the core purpose of the organisation.
- Student recruitment and destination data is monitored as part of the Academy's performance.
- Financial performance is monitored monthly against budget and established expenditure profiles.
- All staff undertake performance management.

**b. Going concern**

The Governors assess whether the use of 'going concern' is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. Under normal convention, the Governors make this assessment in respect of a period of one year from the date of the financial statements.

**c. Review of activities**

The quality of 6th Form provision is very good. This judgement is supported by an externally sourced ALPS Report (A-Level Performance Systems) that rates the College as a '5' and ranks us at approximately the 50th percentile nationally. Rankings go from 1 (the best) to 9 and include all schools and colleges that teach A-Levels, including independent schools. As such the A-Level results are a strong achievement.

Subjects that scored particularly well in ALPS in 2018 include: Fine Art, Business Studies, Computer Science, Drama & Theatre Studies, English Literature, History, Mathematics, Media Studies, Physics, Sociology and Spanish. On the 1-9 scale, each of these subjects achieved between 1 and 5. Areas for development include: 3D Design, Biology, Chemistry and Music Technology because they scored lower down the ALPS rankings. Actions are in place to rectify this through regular data meetings with Heads of Department and our Quality Assurance processes.

Examinations in the Sixth Form now take place at the end of Year 13 and as such there are no public examinations at the end of Year 12 (AS Results) from 2018. Students sit internal examinations during the summer term to replicate the formal conditions and to help staff and students ensure the right support is in place to achieve the best results over the two years.

At GCSE, results were more mixed with the introduction of GCSE grades 9-1 in almost all subjects. That said, the overall trend was up, with an improved Progress 8 score. Independent analysis of results using KS4 ALPS shows the College has improved from an ALPS 7 to an ALPS 6.

Maths GCSE results were particularly strong with a likely break-even Progress 8 score showing students made the expected level of progress nationally. Furthermore, it appears that whilst the percentage of students achieving GCSE 4+ and 5+ was in line with national, our most able students (at 7+) achieved better than nationally.

GCSE English saw a decline on last year, particularly in English Literature. The English department is working with the new members of staff that have been recruited, utilising support from the Bosworth MAT and using PIXL resources to bring about rapid improvements in this area.

GCSE Biology, Business Studies, Computer Science, Drama & Theatre Studies, French, Geography, Health & Social Care, Mathematics, Music, Spanish and BTEC Dance all had excellent value added outcomes according to our ALPS KS4 analysis. Particularly impressive were Geography, BTEC Dance and French where performances were in the top 25% nationally.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Areas for development at GCSE include: Food Preparation & Nutrition, Resistant Materials, English Literature, Media Studies and PE where value added and levels of attainment were lower than would be expected. These departments are a focus of the Quality Assurance Programme and regular data meetings with senior leaders.

On the surface, the performance of disadvantaged students appears similar to last year. This is something that is still an area for improvement. It is worth noting that when we recalculate the figures for the students who were eligible for the Pupil Premium and were thus classified disadvantaged, removing those where there was compelling evidence to show that despite a raft of interventions, support and strategies to engage with students and parents, circumstances meant the College's impact was limited the figure showed a significant improvement.

The Academy has not been inspected by Ofsted since its formation on 1 September 2016.

The work of the Academy is monitored and evaluated strategically at all levels of management. Governors receive regular feedback on the performance of the Academy through presentations by key staff at Full Governors Meetings and Sub Committee meetings (Achievement & Learning, Personnel and Resources). In addition to which, evidence of progress in relation to key areas for development are provided through visits to departments, meetings with senior staff, reports and other relevant documents.

Governors participate in the evaluation of analysis provided, leading to priorities and targets being identified for college improvement. The Academy carries out a detailed analysis of performance across all areas including achievement, behaviour, teaching and learning and the progress of disadvantaged groups. In conjunction with staff and governors, the College Improvement Plan is written which identifies the key areas for improvement that will be focused on. Each member of the Leadership Team is linked to individual departments. The Leadership Team link and the Head of Department work closely to monitor, review and evaluate the performance of each department and assess the progress made towards achieving the targets set in the College Improvement Plan through the Quality Assurance programme and regular link meetings.

All departments complete a detailed exam analysis on receipt of the GCSE and A level results and a formal meeting with the Principal and Senior Assistant Principal is held to discuss the results. Each department writes a Department Development Plan which sets out clear success criteria for the coming year and actions needed in order to achieve the targets. This is reviewed and monitored regularly and feeds into the whole College Quality Assurance schedule.

The Subject Leader meetings allow for discussion, analysis and evaluation of the College Improvement Plan and focuses on sharing good practice and reviewing progress towards targets.

The Academy has a rigorous Quality Assurance programme in place which enables leaders and managers at all levels to evaluate teaching, learning, behaviour, outcomes and progress of all students, including disadvantaged students, through learning walks, lesson observations, student voice, work scrutiny and progress data.

The Academy has a curriculum which allows students to follow traditional academic routes or to access one or more vocational options. Students are guided towards choices although a personalised approach is taken with options to ensure the needs of all students are met and that they can achieve the highest standards.

The Academy offers students the opportunity to complete the Duke of Edinburgh Awards. During 2017/18 there were 16 students who completed the bronze award and 9 students completed the silver award. The students completed expeditions to Beaumanor in Leicestershire, Long Mynd in Staffordshire and White Peaks in Derbyshire. 5 of the 25 students completing the award were disadvantaged students.

The Academy continues to provide opportunities for students with overseas trips. The Academy has continued to support charities. It has continued with Volunteer Africa and supported Children in Need, LOROS, Action Aid and Sports Relief by holding very successful fundraising events.



**COUNTERTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Disadvantaged Students**

The strategic overview of the pupil premium strategy is led by the Senior Assistant Principal. This year there has been a refocus with a greater priority given to providing more one to one and small group tuition, using the Hub. The role of staff is to provide tuition and support that help disadvantaged students who are underperforming to access work missed, or not understood.

The 2017 GCSE results showed that the progress gap between disadvantaged students and other students has improved slightly (Progress 8 gap of 0.68 in 2017 relative to 0.75 in 2016).

The Academy accepts that there is work to be done in this area and is working hard to address this matter. According to reported projected grades, we are confident that the measures put in place are starting to make a real difference to the attainment and progress of these students.

**Strategies for Teaching, Learning and Assessment**

Teaching, learning and assessment (TLA) focuses on key themes of improving levels of challenge in lessons through use of thinking harder strategies, developing long term memory and embedding the use of Learning Checklists through effective use of in class diagnosis of areas that need to be addressed so that the right support through targeted resources and appropriate assessment can be put in place. The Quality Assurance (QA) programme is our main vehicle for ensuring effective delivery and focuses on what happens in the classroom through a series of learning walks carried out by Heads of Departments and members of Leadership Team, work scrutiny, student voice and grades that are input based on rigorous assessments. The quality of TLA is measured by looking at a combination of all these areas. Meetings are held twice per half term between the Principal, Senior Assistant Principal and Heads of Departments to evaluate current progress and discuss next steps.

Lesson routines are becoming well established through the start of lesson micro-scripts. All staff mark in green and students respond in purple pen. This is now established practice. Homework is set using Show My Homework and is monitored and evaluated fortnightly. To help address gaps in performance of disadvantaged students we have adopted a policy of marking these students' work first as well as a focus on improving reading levels.

Departments of particular strength are MFL, ICT, Mathematics, English, Business, Geography, Dance, Sociology (KS5), Psychology (KS5) and Media (KS5) because the quality of teaching is consistently good and the impact on is outcomes good or improving rapidly.

Departments who have taken significant steps forward and we expect to achieve improved outcomes are Science, PE, History and Drama.

Key priorities are supported by our CPD programme. We have also introduced a supporting good teaching programme for staff who have been identified as in need of support. They are coached by other teachers who have been identified as outstanding practitioners.

Middle leaders are well supported through regular briefings and meetings and targeted subjects are also part of the PiXL programme. Staff have qualifications in Middle and Senior Leadership and this year aspiring middle and current middle leaders will be taking part in the PiXL Engagement Leadership Programme.

NQTs are also well supported through a targeted training programme.

Performance Management targets are linked to whole school Teaching and Learning priorities and all staff have Teaching and Learning targets related to one of our Teaching and Learning priorities.

**Financial review**

**a. Reserves policy**

The Governors have examined the Charitable Company's requirements for reserves in light of the main risks to

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

the organisation. The Academy's operating costs are covered by monthly funds receivable from the ESFA. Significant unrestricted reserves are therefore not an immediate priority. The Governors review the level of reserves each year. The Governors are also aware of the Academy's liability in relation to the Local Government Pension Scheme, which showed a deficit of £3,448,000 as at 31 August 2018.

The Academy is working towards a reserve equivalent to the total of the academy payroll for one month.

**b. Material investments policy**

The Academy's Investment Policy states that investments must only be made in risk-averse, ethical funds. There were no funds invested at 31 August 2018.

**c. Principal risks and uncertainties**

These are:

- Fluctuating rolls, which impact on the financial aspect of the Academy;
- Risks relating to being able to offer an appropriate curriculum;
- Future funding changes; and
- Retention of students into the 6th form.

These risks have been discussed at Governors' meetings and actions taken to minimise their effect on the Academy.

**d. Financial risk management objectives and policies**

The Academy has a Risk Register which highlights potential risks. Controls are put in place to minimise the risk and any ongoing action is identified. The Strategic Risk Register is reviewed regularly by Governors and monitored by the Academy management team and the Resources Committee.

**e. Deficit**

At the end of the academic year 2017/18 there is a revenue deficit of £452,847 and a carried forward revenue deficit on reserves of £425,545 (2017: surplus £27,281).. This is due to a number of reasons, primarily:

1. The age-range change that has taken place in Leicestershire schools.
2. The Local Authority top sliced our budget for two years so that funding could be passed to the schools that changed their age range.
3. During the first year of the merger of Leysland High School and Countesthorpe Community College, the two staff were merged, without any restructure of staff.
4. A significant number of long term absences.

The ESFA have agreed a loan of £450,000 which will be paid over three years from September 2019.

**f. Principal funding**

Most of the Academy's income is obtained from the ESFA, the use of which is restricted to particular purposes. The income received from the ESFA for the year ended 31 August 2018 and the associated expenditure are shown in the restricted funds in the Statement of Financial Activities.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Fundraising**

The Academy does not undertake any material fundraising activities.

**Plans for future periods**

**a. Future developments**

The Governors have discussed the College joining a multi academy trust to provide closer partnership working and further opportunities for staff and students. Local MATs were reviewed and it was decided that the LiFE MAT's ethos and culture were closely aligned to those of the College. LiFE MAT was approached, and the Principal came to the last Full Governing Board meeting of the year, in July 2018, to explain what joining the MAT would entail. He also attended a staff meeting and talked to staff. The Governors have decided that this is the best option for the College to ensure that outcomes for all students continue to improve. The consultation took place during June / July 2018 and the due diligence process will begin during the academic year 2018/19.

The Academy is committed to maintaining its performance, to improve the opportunities on offer and the facilities available for students and staff. We were successful in applying for a Condition Improvement Fund Grant to refurbish the changing rooms at the Countesthorpe Site. Work began on these in July 2018 and is due to be completed by October 2018.

Under the Priority Schools Building Project 2 (PSBP2) the Leysland site was due to be refurbished. However, after detailed surveys the ESFA have decided that a new build will be more economical and the Leysland site will be demolished. Works will start towards the end of the academic year 2018/19.

The following target areas and plans for further improvement have been set:

Improve the Quality of Students' Learning and Outcomes across the College through a focus on developing learning, culture, leadership and outcomes.

In relation to Outcomes we are committed to:-

- Rigorous use of accurate data
- Using a process of diagnosis, therapy and testing to target and differentiate interventions more effectively

In relation to Leadership we are focussing on:-

- Establishing and developing a coaching culture across the college
- Providing opportunities for all members of the college community to become leaders

In relation to Learning we are focussing on:-

- A consistent approach is taken to developing engaging and well planned lessons which meet the needs of all students
- Embedding a culture of collaboration within and outside the college community

- In relation to Culture we are putting in place structures and providing students with the opportunity to:-
- Develop key skills of Leadership, Organisation, Resilience, Independence and Communication
- Develop positive attitudes to learning through the promotion of a growth mind-set culture



**COUNTRESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Governors. In addition, employees are also represented at Full Governing Board meetings by the Staff Governors.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equality and Diversity Policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy's equal opportunities policy, the Academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Full Governing Boards, as the company directors, on 18 December 2018 and signed on its behalf by:



**S Uprichard**  
**Chair of Governors**

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNANCE STATEMENT**

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Countesthorpe Leysland Community College 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 Full Governing Boards has delegated the day-to-day responsibility to the Principal, 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 Countesthorpe Leysland Community College and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Full Governing Boards any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the statement of governors' responsibilities. The Full Governing Boards has formally met 7 times during the year. Attendance during the year at meetings of the Full Governing Boards was as follows:

Governor	Meetings attended	Out of a possible
S Uprichard, Chair of Governors	7	7
C Aitcheson, Principal	7	7
A Bluff	6	7
J Chinery	7	7
J Cox	5	7
J Hayes	0	0
K Hollingshead	4	6
S McDonald	4	6
S Knott	2	3
J Sleath	6	6
E Perkins	6	7
R Wall	6	7
K Keaveny	6	7



**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNANCE STATEMENT (continued)**

The Resources and Audit Committee is a sub-committee of the main Governing Board. Its purpose is to consider and manage the Academy financial plan and annual budgets, ensuring all funds are used for the purposes of the Academy and in accordance with the terms of the Funding Agreement, monitor premises and maintenance plan, consider capital expenditure and review Health and Safety. This committee met 5 times during the year. Attendance was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Uprichard, Chair of Governors	5	5
C Aitcheson, Principal	5	5
A Bluff	4	5
J Chinery	2	5
J Cox	4	5
S McDonald	1	5
E Perkins	1	5
J Sleath	1	5
R Wall	5	5

The Achievement and Learning Committee is a sub-committee of the main Governing Board. Its purpose is to consider and advise the Governing Board on standards and other matters relating to the Academy's curriculum including Statutory Requirements. In accordance with the terms of the Funding Agreement, the Achievement and Learning Committee considers curricular issues which may have implications for the Resource and Personnel Committee decisions and make recommendations to the relevant committees or the Governing Board. This committee met 5 times during the year. Attendance was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Uprichard, Chair of Governors	5	5
C Aitcheson, Principal	5	5
A Bluff	1	5
J Chinery	2	5
J Hayes	3	5
K Hollingshead	2	5
S Knott	4	5
S McDonald	4	5
J Sleath	1	5
R Wall	3	5

The Personnel Committee is a sub-committee of the main Governing Board. Its purpose is to consider and advise the Governing Board on staffing structures and to establish Statutory Personnel Policies. In accordance with the terms of the Funding Agreement, the Personnel Committee considers personnel issue, which may have implications for the Resources and Achievement and Learning Committees and make recommendations to the relevant committees or the Governing Board. This committee met 5 times during the year. Attendance was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Uprichard, Chair of Governors	5	5
C Aitcheson, Principal	5	5
J Chinery	5	5
E Perkins	5	5
J Sleath	1	5

**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money**

As Accounting Officer, the Principal 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 Full Governing Boards 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 rigorous policies and procedures are in place
- segregation of duties
- regularly carrying out benchmarking and identifying key performance indicators
- using Integrated Curriculum Financial Planning to set an affordable curriculum

Countesthorpe Leysland Community College is committed to delivering value for money as an integral part of its corporate and academic strategy. The Academy has strong internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks.

The management receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. The principle of applying value for money not only to the College's use of public funds, but to all sources of funding is applied at all times.

**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 Countesthorpe Leysland Community College 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 Full Governing Boards 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 Full Governing Boards 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 Full Governing Boards.

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

**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**GOVERNANCE STATEMENT (continued)**

The Full Governing Boards has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included a review of the key controls of the Academy.

On an annual basis, the auditor reports to the Full Governing Boards through the Resources and Audit Committee on the operation of the systems of control and on the discharge of the Full Governing Boards financial responsibilities.

**Review of Effectiveness**

As Accounting Officer, the Principal 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Full Governing Boards on 18 December 2018 and signed on their behalf, by:



**S Uprichard**  
**Chair of Governors**



**G Aitcheson, Acting Principal**  
**Acting Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Countesthorpe Leysland Community College I have considered my responsibility to notify the academy trust Full Governing Board and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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



**C Aitcheson, Acting Principal**  
**Acting Accounting Officer**

Date: 18 December 2018



**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**STATEMENT OF GOVERNORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

The Governors (who act as Trustees of Countesthorpe Leysland Community College and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the Governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Full Governing Boards on 18 December 2018 and signed on its behalf by:



**S Uprichard**  
Chair of Governors

**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**

**Opinion**

We have audited the financial statements of Countesthorpe Leysland Community College (the 'Academy') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating an 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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 & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**

**Other information**

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

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 Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic 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 Governors' Report including the Strategic Report.

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

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

**Responsibilities of governors**

As explained more fully in the statement of governors' responsibilities, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.



**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**

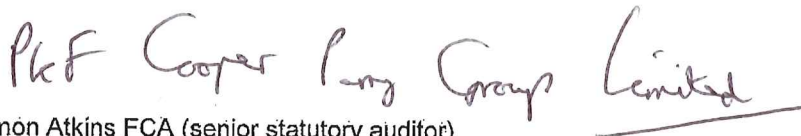
**Auditors' responsibilities for the audit of the financial statements**

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](http://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.



Simon Atkins FCA (senior statutory auditor)

for and on behalf of

**PKF Cooper Parry Group Limited**

Statutory Auditors

Park View  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

Date: 20/12/11



## **COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**

**(A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 October 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 Countesthorpe Leysland Community College 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 Countesthorpe Leysland Community College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Countesthorpe Leysland Community College 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 Countesthorpe Leysland Community College and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Countesthorpe Leysland Community College's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Countesthorpe Leysland Community College's funding agreement with the Secretary of State for Education dated April 2016, 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE AND THE EDUCATION & SKILLS FUNDING  
AGENCY (continued)**

**Conclusion**

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

*PKF Cooper Parry Group Limited*

**PKF Cooper Parry Group Limited**

Statutory Auditors

Park View

One Central Boulevard

Blythe Valley Business Park

Solihull

West Midlands

B90 8BG

Date: *20/12/18*

**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
<b>Donations and capital grants:</b>						
Business combinations	2	-	-	-	-	16,602,580
Other donations and capital grants	2	-	-	412,426	412,426	289,430
<b>Charitable activities:</b>						
Funding for the Academy Trust's educational operations	3	285,293	8,042,294	-	8,327,587	9,395,262
Other trading activities	4	362,027	-	-	362,027	349,355
Investments	5	101	-	-	101	1,123
<b>Total income</b>		<u>647,421</u>	<u>8,042,294</u>	<u>412,426</u>	<u>9,102,141</u>	<u>26,637,750</u>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Other trading activities	4	144,119	-	-	144,119	140,590
For the Academy Trust's educational operations		501,058	8,861,364	436,852	9,799,274	11,103,897
<b>Total expenditure</b>	6	<u>645,177</u>	<u>8,861,364</u>	<u>436,852</u>	<u>9,943,393</u>	<u>11,244,487</u>
<b>Net income / (expenditure) before transfers</b>		<u>2,244</u>	<u>(819,070)</u>	<u>(24,426)</u>	<u>(841,252)</u>	<u>15,393,263</u>
Transfers between Funds	17	(76,369)	76,369	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<u>(74,125)</u>	<u>(742,701)</u>	<u>(24,426)</u>	<u>(841,252)</u>	<u>15,393,263</u>
Actuarial gains on defined benefit pension schemes	12,22	-	760,000	-	760,000	977,000
<b>Net movement in funds</b>		<u>(74,125)</u>	<u>17,299</u>	<u>(24,426)</u>	<u>(81,252)</u>	<u>16,370,263</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		74,125	(3,890,844)	20,186,982	16,370,263	-
<b>Total funds carried forward</b>		<u>-</u>	<u>(3,873,545)</u>	<u>20,162,556</u>	<u>16,289,011</u>	<u>16,370,263</u>

The notes on pages 28 to 50 form part of these financial statements.

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**

(A company limited by guarantee)  
REGISTERED NUMBER: 09857254

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£	2018 £	2017 £
<b>Fixed assets</b>				
Tangible assets	12		20,073,638	20,186,982
<b>Current assets</b>				
Stocks	13	13,549		6,162
Debtors	14	98,980		155,555
Cash at bank and in hand		397,495		647,950
		<u>510,024</u>		<u>809,667</u>
<b>Creditors: amounts falling due within one year</b>	15	(834,151)		(769,886)
<b>Net current (liabilities)/assets</b>			(324,127)	39,781
<b>Total assets less current liabilities</b>			<u>19,749,511</u>	<u>20,226,763</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(12,500)	(12,500)
<b>Net assets excluding pension scheme liabilities</b>			<u>19,737,011</u>	<u>20,214,263</u>
Defined benefit pension scheme liability	22	(3,448,000)		(3,844,000)
<b>Net assets including pension scheme liabilities</b>			<u>16,289,011</u>	<u>16,370,263</u>
<b>Funds of the academy</b>				
<b>Restricted income funds:</b>				
Restricted income funds	17	(425,545)		(46,844)
Restricted fixed asset funds	17	<u>20,162,556</u>		<u>20,186,982</u>
Restricted income funds excluding pension liability		19,737,011		20,140,138
Pension reserve		<u>(3,448,000)</u>		<u>(3,844,000)</u>
Total restricted income funds			16,289,011	16,296,138
Unrestricted income funds	17		-	74,125
<b>Total funds</b>			<u>16,289,011</u>	<u>16,370,263</u>

The financial statements on pages 25 to 50 were approved by the Governors, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:



S Uprichard  
Chair of Governors

The notes on pages 28 to 50 form part of these financial statements.



**COUNTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(339,474)	(357,442)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		101	1,123
Purchase of tangible fixed assets		(323,508)	-
Capital grants from DfE Group		412,426	289,431
Cash transferred on business combinations		-	714,838
<b>Net cash provided by investing activities</b>		89,019	1,005,392
<b>Change in cash and cash equivalents in the year</b>		(250,455)	647,950
Cash and cash equivalents brought forward		647,950	-
<b>Cash and cash equivalents carried forward</b>	20	397,495	647,950

The notes on pages 28 to 50 form part of these financial statements.

**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

**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**

Countesthorpe Leysland Community College (the Academy Trust) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the reference and administrative details page and the nature of its operations are set out in the Governors report.

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.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

**1.2 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

**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.

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.

**1.4 Expenditure**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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.

All resources expended are inclusive of irrecoverable VAT.

**COUNTRESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

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

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,500 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 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.

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:

Long-term leasehold buildings	-	2% straight line
Furniture and fixtures	-	25% straight line
Leasehold improvements	-	5-10% 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.

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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



**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

**1. Accounting Policies (continued)**

**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 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.

**1.11 Financial instruments**

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**COUNTRESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

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

**1. Accounting Policies (continued)**

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.

**1.14 Fund accounting**

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

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.

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

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

**1. Accounting Policies (continued)**

**1.15 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgment:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Governors to make the estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of closure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In regard, the Governors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Business combinations	-	-	-	-	16,602,580
Capital Grants	-	-	412,426	412,426	289,430
	-	-	412,426	412,426	16,892,010
<b>Total 2017</b>	<b>53,049</b>	<b>(4,113,008)</b>	<b>20,951,969</b>	<b>16,892,010</b>	

**3. Funding for Academy's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	6,619,233	6,619,233	7,710,360
Other DfE/ESFA Grants	-	361,387	361,387	340,981
	-	6,980,620	6,980,620	8,051,341
<b>Other government grants</b>				
Local authority grants	-	114,102	114,102	159,082
	-	114,102	114,102	159,082
<b>Other funding</b>				
Behavioural Partnership income	-	846,164	846,164	747,901
Parental contributions	-	73,809	73,809	108,252
Exams fees	-	1,894	1,894	2,584
Educational projects	-	25,705	25,705	30,638
Other donations	-	-	-	3,154
School meals	285,293	-	285,293	292,311
	285,293	947,572	1,232,865	1,184,840
	285,293	8,042,294	8,327,587	9,395,263
<b>Total 2017</b>	<b>325,533</b>	<b>9,069,729</b>	<b>9,395,262</b>	



**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

**4. Trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Charity trading income</b>				
Hire of facilities	119,984	-	119,984	95,374
Extended services	180,443	-	180,443	187,878
External catering	36,311	-	36,311	37,792
Other trading income	25,289	-	25,289	28,311
	<u>362,027</u>	<u>-</u>	<u>362,027</u>	<u>349,355</u>
<b>Fundraising trading expenses</b>				
Hire of facilities	27,398	-	27,398	29,657
Extended services	96,194	-	96,194	95,404
External catering	7,070	-	7,070	8,738
Other trading income	13,457	-	13,457	6,791
	<u>144,119</u>	<u>-</u>	<u>144,119</u>	<u>140,590</u>
Net income from trading activities	<u>217,908</u>	<u>-</u>	<u>217,908</u>	<u>208,765</u>

**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	101	-	101	1,123
	<u>101</u>	<u>-</u>	<u>101</u>	<u>1,123</u>
<b>Total 2017</b>	<u>1,123</u>	<u>-</u>	<u>1,123</u>	

**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

**6. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	97,808	-	46,311	144,119	140,590
Support costs	-	-	-	-	-
Educational operations					
Direct costs	5,888,355	436,852	872,969	7,198,176	7,869,891
Support costs	1,490,729	371,532	738,837	2,601,098	3,234,006
	<u>7,476,892</u>	<u>808,384</u>	<u>1,658,117</u>	<u>9,943,393</u>	<u>11,244,487</u>
<b>Total 2017</b>	<u>8,007,534</u>	<u>1,197,326</u>	<u>2,039,627</u>	<u>11,244,487</u>	

**7. Analysis of expenditure by activities**

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	7,198,176	2,601,098	9,799,274	11,103,897
<b>Total 2017</b>	<u>7,869,891</u>	<u>3,234,006</u>	<u>11,103,897</u>	

**Analysis of support costs**

	Activities £	Total 2018 £	Total 2017 £
Staff costs	1,854,731	1,854,731	1,963,072
IT costs	9,029	9,029	25,167
Utilities	159,858	159,858	145,119
Governance costs	22,499	22,499	17,868
Insurance	69,258	69,258	61,799
Maintenance of premises and equipment	115,072	115,072	488,244
Security	2,945	2,945	117,675
Other support costs	164,206	164,206	156,333
Rates	27,345	27,345	26,607
Printing, stationery and reprographics	29,525	29,525	63,258
Catering	146,630	146,630	168,864
	<u>2,601,098</u>	<u>2,601,098</u>	<u>3,234,006</u>
<b>At 31 August 2017</b>	<u>3,234,006</u>	<u>3,234,006</u>	

**COUNTTESTHORPE LEYSLAND COMMUNITY COLLEGE**  
**(A company limited by guarantee)**

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

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

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	436,852	475,557
Auditors' remuneration - audit	11,075	10,750
Auditors' remuneration - other services	4,275	4,200
Internal audit costs	443	4,212
	<u>          </u>	<u>          </u>

**COUNTRESTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,666,522	6,028,591
Social security costs	516,809	543,941
Operating costs of defined benefit pension schemes	1,329,248	1,355,137
	<hr/> 7,512,579	<hr/> 7,927,669
Agency staff costs	303,313	270,796
Staff restructuring costs	25,000	169,069
	<hr/> <hr/> 7,840,892	<hr/> <hr/> 8,367,534

Staff restructuring costs comprise:

Redundancy payments	-	159,703
Severance payments	25,000	-
Other restructuring costs	-	9,366
	<hr/> 25,000	<hr/> 169,069

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £25,000 (2017: £159,703), this amount related to one payment of £25,000 in June 2018.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teachers	110	106
Administration and support	137	184
Management	7	7
	<hr/> 254	<hr/> 297

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	103	94
Administration and support	58	66
Management	7	8
	<hr/> 168	<hr/> 168



**COUNTSTHORPE LEYSLAND COMMUNITY COLLEGE**  
(A company limited by guarantee)

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

**9. Staff costs (continued)**

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	1	2

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £444,064 (2017: £622,908).

**10. Governors' remuneration and expenses**

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

		2018 £	2017 £
J Sleath, Ex-Principal	Remuneration	80,000-85,000	90,000-95,000
	Pension contributions paid	10,000-15,000	15,000-20,000
C Aitcheson, Principal	Remuneration	90,000-95,000	0
	Pension contributions paid	10,000-15,000	0
J Hayes, Staff Governor	Remuneration	50,000-55,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £448 to 1 Governor).

**11. Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £553(2017: £553).

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FOR THE YEAR ENDED 31 AUGUST 2018**

**12. Tangible fixed assets**

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	19,793,473	113,154	755,912	20,662,539
Additions	305,309	10,256	7,943	323,508
At 31 August 2018	20,098,782	123,410	763,855	20,986,047
<b>Depreciation</b>				
At 1 September 2017	321,085	48,022	106,450	475,557
Charge for the year	321,085	38,746	77,021	436,852
At 31 August 2018	642,170	86,768	183,471	912,409
<b>Net book value</b>				
At 31 August 2018	19,456,612	36,642	580,384	20,073,638
At 31 August 2017	19,472,388	65,132	649,462	20,186,982

Long-term leasehold property includes £4,898,416 (2017: £4,898,416) of long-term leasehold land which is not depreciated.

**13. Stocks**

	2018 £	2017 £
Catering and stationery	13,549	6,162

**14. Debtors**

	2018 £	2017 £
Trade debtors	1,484	32,599
Other debtors	19,968	23,150
Prepayments and accrued income	77,528	99,806
	98,980	155,555

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**15. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	168,564	291,029
Other creditors	249,980	269,696
Accruals and deferred income	415,607	209,161
	<u>834,151</u>	<u>769,886</u>
	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	194,211	-
Resources deferred during the year	296,307	194,211
Amounts released from previous years	(194,211)	-
Deferred income at 31 August 2018	<u>296,307</u>	<u>194,211</u>

At the balance sheet date the Academy was holding grant funding received in advanced where the Academy was not yet entitled to the funding as the conditions of the grants were yet to be met.

**16. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other creditors	<u>12,500</u>	<u>12,500</u>

Included within other creditors is a loan from the ESFA which is provided on the following terms: zero interest payable, repayable in 5 years with biannual payments of £2,500.

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**17. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	74,125	647,421	(645,177)	(76,369)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	(172,778)	6,619,132	(6,937,722)	76,369	-	(414,999)
Other DfE/ESFA Grants	(42,158)	119,981	(75,170)	-	-	2,653
Pupil Premium	-	241,406	(241,406)	-	-	-
Behaviour Partnership	131,096	846,164	(1,011,497)	-	-	(34,237)
LA Grants	6,681	114,102	(120,783)	-	-	-
Capital Grants	1,903	-	(1,903)	-	-	-
Parental Contributions	28,412	73,809	(81,183)	-	-	21,038
Other	-	25,806	(25,806)	-	-	-
Exam Fees	-	1,894	(1,894)	-	-	-
Pension reserve	(3,844,000)	-	(364,000)	-	760,000	(3,448,000)
	<u>(3,890,844)</u>	<u>8,042,294</u>	<u>(8,861,364)</u>	<u>76,369</u>	<u>760,000</u>	<u>(3,873,545)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	20,186,982	412,426	(436,852)	-	-	20,162,556
Total restricted funds	<u>16,296,138</u>	<u>8,454,720</u>	<u>(9,298,216)</u>	<u>76,369</u>	<u>760,000</u>	<u>16,289,011</u>
Total of funds	<u>16,370,263</u>	<u>9,102,141</u>	<u>(9,943,393)</u>	<u>-</u>	<u>760,000</u>	<u>16,289,011</u>

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

**General Annual Grant (GAG)**

Funds from the Education Funding Agency for the provision of education in line with the funding agreement.

**Other DfE/ESFA Grants**

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations. This includes the funds carried forward for the Pupil Premium.

**Educational Projects**

Funds received for use on specific educational projects.

**Behaviour Partnership**

Funds received to improve outcomes for KS4 pupils; raise educational standards and personalise provision for vulnerable young people in their area.

**LA Grants**

Funds received from the local authority for specific projects.



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

**Parental Contributions**

Funds generated from parents of students for use towards specific educational expenditure, e.g. trips.

**Exam fees**

Fees received for the payment of exam re-sits.

**Pension reserve**

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. This fund is in deficit, given the nature of the liability, however this is not payable immediately.

**Restricted Fixed Asset Fund**

Represents the fixed assets that are held by the Academy, which are used by the Academy to achieve its educational objectives.

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.

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

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	-	698,992	(624,867)	-	-	74,125
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	8,087,747	(8,260,525)	-	-	(172,778)
Other Dfe/ESFA Grants	-	111,266	(153,424)	-	-	(42,158)
Educational Projects	-	30,638	(30,638)	-	-	-
Behaviour Partnership	-	923,547	(792,451)	-	-	131,096
LA Grants	-	172,098	(165,417)	-	-	6,681
Capital Grants	-	289,430	(287,527)	-	-	1,903
Parental Contributions	-	119,909	(91,497)	-	-	28,412
Exam Fees	-	2,584	(2,584)	-	-	-
Pension reserve	-	(4,461,000)	(360,000)	-	977,000	(3,844,000)
	-	5,276,219	(10,144,063)	-	977,000	(3,890,844)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds	-	20,662,539	(475,557)	-	-	20,186,982

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	20,073,638	20,073,638
Current assets	199,009	222,097	88,918	510,024
Creditors due within one year	(125,140)	(709,011)	-	(834,151)
Creditors due in more than one year	2,500	(15,000)	-	(12,500)
Provisions for liabilities and charges	-	(3,448,000)	-	(3,448,000)
Difference	(76,369)	76,369	-	-
	-	(3,873,545)	20,162,556	16,289,011

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FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	20,186,982	20,186,982
Current assets	74,125	735,542	-	809,667
Creditors due within one year	-	(769,886)	-	(769,886)
Creditors due in more than one year	-	(12,500)	-	(12,500)
Provisions for liabilities and charges	-	(3,844,000)	-	(3,844,000)
	<u>74,125</u>	<u>(3,890,844)</u>	<u>20,186,982</u>	<u>16,370,263</u>

**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(841,252)	15,393,263
<b>Adjustment for:</b>		
Depreciation charges	436,852	475,557
Dividends, interest and rents from investments	(101)	(1,123)
Increase in stocks	(7,387)	-
Decrease in debtors	56,576	130,164
(Decrease)/increase in creditors	(331,736)	176,708
Capital grants from DfE and other capital income	(412,426)	(289,431)
Defined benefit pension scheme cost	760,000	360,000
Net (loss) on assets and liabilities from local authority on conversion	-	(16,602,580)
<b>Net cash used in operating activities</b>	<u>(339,474)</u>	<u>(357,442)</u>

**20. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	397,495	647,950
<b>Total</b>	<u>397,495</u>	<u>647,950</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Capital commitments**

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	62,298	122,897



**COUNTRESTHORPE LEYSLAND COMMUNITY COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. 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.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £686,890 (2017: £697,274).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

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**22. Pension commitments (continued)**

trust has set out above the information available on the scheme.

**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 £393,000 (2017: £393,000), of which employer's contributions totalled £312,000 (2017: £308,000) and employees' contributions totalled £81,000 (2017: £85,000). The agreed contribution rates for future years are 22.39% 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	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
0.5% decrease in real discount rate	1,089,000	1,057,000
0.5% increase in the salary Increase Rate	227,000	238,000
0.5% increase in the pension increase rate	843,000	796,000

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**22. 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	3,194,000	3,071,000
Bonds	1,391,000	917,000
Property	464,000	367,000
Cash and other liquid assets	103,000	229,000
Total market value of assets	<u>5,152,000</u>	<u>4,584,000</u>

The actual return on scheme assets was £242,144 (2017: £591,336).

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

	2018 £	2017 £
Current service cost (net of employee contributions)	258,000	234,000
Past service cost (including curtailments)	7,000	29,000
Net interest cost	99,000	97,000
Total	<u>364,000</u>	<u>360,000</u>
Actual return on scheme assets	<u>242,144</u>	<u>591,336</u>

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

	2018 £	2017 £
Opening defined benefit obligation	(8,428,000)	-
Transferred in on existing academies joining the trust	-	(8,268,000)
Current service cost	(570,000)	(542,000)
Interest cost	(218,000)	(180,000)
Losses on curtailments	50,000	60,000
Past service costs	(7,000)	(29,000)
Actuarial gains	654,000	616,000
Employee contributions	(81,000)	(85,000)
Closing defined benefit obligation	<u>(8,600,000)</u>	<u>(8,428,000)</u>

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**22. Pension commitments (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets:	4,584,000	3,807,000
Employee contributions	81,000	85,000
Interest income	119,000	83,000
Benefits paid	(50,000)	(60,000)
Actuarial gains	106,000	361,000
Employer contributions	312,000	308,000
	<hr/>	<hr/>
Closing fair value of scheme assets	5,152,000	4,584,000
	<hr/>	<hr/>

**23. 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 £
<b>Amounts payable:</b>		
Within 1 year	10,771	10,771
Between 1 and 5 years	10,771	21,542
	<hr/>	<hr/>
Total	21,542	32,313
	<hr/>	<hr/>

**24. Members' liability**

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

**25. Related party transactions**

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.