

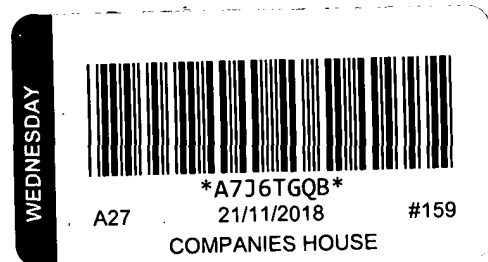
Registration number: 07992440

Stramongate School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018



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

Stramongate School

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Reference and Administrative Details

Members	John Dyer The Reverend Jean Radley Mary French (resigned 23 April 2018) Julie Armitstead (appointed 23 April 2018)
Governors	Shirley King, Parent Evan Shanks, Parent Andrew Baxter, Chair (resigned 6 July 2018) The Reverend Jean Radley, Chair Maggie Donald (resigned 25 January 2018) Amanda Conner, Vice-Chair (resigned 23 March 2018) Kerrie Bumby, Staff Elaine Gilpin, Staff Steve Randles, Parent Michael Poole, Headteacher Martin Shufflebottom, Vice-Chair (appointed 20 November 2017) Kate Skellern, Staff (appointed 20 November 2017) Victoria Pimblett, Parent (appointed 9 July 2018) Amanda Conner, Associate Governor (appointed 23 March 2018 and resigned 20 July 2018) Robert Timms, Associate Governor (appointed 9 July 2018)
Company Secretary	Elaine Gilpin
Head Teacher	Michael Poole
Senior Management Team	Michael Poole, Headteacher Denise Noble, Director of finance and administration (retired 31 August 2018) Elaine Gilpin, Director of finance and administration (appointed 1 September 2018)
Principal and Registered Office	Blackhall Road Kendal Cumbria LA9 4BT
Company Registration Number	07992440

Stramongate School

Reference and Administrative Details (continued)

Auditors	Stables Thompson & Briscoe Chartered Accountants & Registered Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX 16 March 2017
Bankers	Lloyds Bank 5-6 King Street Penrith Cumbria CA11 7AP
Solicitors	Hibberts Solicitors 144 Nantwich Road Crewe CW2 6BG

Stramongate School

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in central Kendal. It has a pupil capacity of 420 and had a roll of 373 in the school census on 17 May 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07992440.

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

Stramongate School

Trustees' Report for the Year Ended 31 August 2018 (continued)

Policies and procedures adopted for the induction and training of Trustees

All new governors have an induction meeting, usually with the Chair of Governors and Headteacher, with the full training and induction process depending on their existing experiences. Governor training courses are available to all governors, locally and online, and in-house training occurs annually; the content of such training is determined by any areas of weakness identified by an annual skills audit. Governors have access to all policies, improvement plans, minutes and other relevant documentation that they need to undertake their role. For a minimum of the first twelve months, new governors are requested to attend all meetings, to allow them to develop a full understanding of the Governing Board's working practices. A representative from the Governing Board also attends local governor cluster meetings to discuss common challenges and share best practice, and feeds back to the Board.

Organisational structure

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

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

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

The Senior Business Management Team controls the day-to-day running of the Academy, implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Team of the Academy supports the Senior Business Management Team, in particular within teaching and learning.

Arrangements for setting pay and remuneration of key management personnel

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

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

Connected organisations, including related party relationships

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

Objectives and activities

Objects and aims

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

Stramongate School

Trustees' Report for the Year Ended 31 August 2018 (continued)

Objectives, strategies and activities

The main objectives of the Academy Trust are summarised below:

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

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

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

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

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

Public benefit

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

Stramongate School

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

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

Key performance indicators

Ofsted inspections

In its most recent inspection (June 2016), Ofsted concluded that Stramongate School remains a 'Good' school with outstanding levels of pupil behaviour and safety.

Examination results

Examination results for the 2017-18 academic year were very pleasing on a number of measures:

Table of Key Standards Performance Indicators

Key - 2018 Stramongate Scores - **emboldened**; 2018 Schools Nationally - (italicised in brackets)

GLD - Good Level of Development; EXS - Expected; GD - Greater Depth

RWM - Reading, Writing and Maths combined; EGPS - English Grammar, Punctuation and Spelling

EYFS	Number in cohort	% GLD	KS1	EXS	GD	KS2	Scaled score	EXS	GD
			No in cohort 52			No in cohort 64			
	50	72% (71%)	Reading	78% (78%)	18%	Reading	107 (105)	83% (75%)	37% (28%)
			Writing	67% (67%)	10%	Writing		88% (78%)	37% (20%)
Year 1 phonics		% pass	Maths	75% (75%)	16%	Maths	107 (104)	90% (76%)	27% (24%)
			Science	84% (84%)		Science		86% (82%)	
	46	72% (83%)	RWM	68% (64%)	10% (10%)	RWM		80% (64%)	15% (10%)
						EGPS	108 (106)	83% (78%)	48% (34%)

Stramongate School

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Commentary on standards on outturn

Key Stage 2 SATs results for the 2018 Year 6 cohort show that pupils achieved significantly above those in schools nationally, with 80% of pupils achieving at least the Expected Standard in reading, writing and maths combined, compared to 64% nationally for 2018. Significant improvements were made on last year in the number of children working at the Higher Standard (Greater Depth), in reading, writing and maths combined, with 15% of children achieving Greater Depth in reading, writing and maths combined, compared to the 2018 national average of 10%.

Performance against Fischer Family Trust estimates

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

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

Pupil attendance data

Pupil attendance for the year to 31 August 2018 was 95.3%, which is in line with those achieved by primary schools nationally and the Trust's own target of 96%. The Governing Board review attendance termly and the Trust's Inclusion Manager works closely with the families of pupils with low attendance to help them overcome any obstacles to attending school regularly.

Going concern

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

Stramongate School

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Financial review

The majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year to 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, expenditure on the restricted fund exceeded income by £73,644, before transfers and pension movement.

The Trust generates additional income through the hire of facilities, sale of meals and other items and running a Breakfast Club as well as receiving donations. This income is shown as unrestricted funds in the Statement of Financial Activities and is used to support the Trust's core educational provision as well as provide pupils with additional educational opportunities and experiences. During the year ended 31 August 2018, unrestricted income exceeded expenditure by £50,270, before transfers.

As 31 August 2018, the Academy Trust had restricted general funds plus unrestricted funds, excluding pension reserves, of £83,974.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Report by Charities (SORP 2015)', such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation over the expected useful lives of the assets concerned.

At 31 August 2018, the net book value of fixed assets was £1,741,919. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

Reserves policy

As at 31 August 2018, the Academy Trust had reserves of £1,259,893, this comprised of:

- The Restricted Income Fund of £0. This figure represents the amount of restricted funding received, including the General Annual Grant, less the amount spent. All restricted income received during the period was spent in full and the Academy's operations were supplemented by the unrestricted income it generates;
- The Restricted Fixed Asset Fund of £1,741,919. This is the cost of the tangible and intangible assets held by the academy, net of depreciation and any provision for impairment. These funds could only be realised for use by the Academy through the sale of such assets;
- The Restricted Pension Fund of -£566,000. This is the pension deficit relating to the Academy. The Academy will continue to make pension contributions, as advised by the scheme actuary; and
- The Unrestricted Income Fund of £83,974. This is the excess of unrestricted income generated by the Academy over expenditure relating to unrestricted activities.

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

Stramongate School

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Investment policy

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

Principal risks and uncertainties

The majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants calculated on the basis of pupil numbers. The key risk to the Trust is, therefore, fluctuation in pupil numbers. The number of pupils on roll has declined in recent years, to 373 in the latest school census on 17 May 2018. The Governing Board are monitoring pupil numbers closely.

Changes in government policy on school funding and allocations, such as the introduction of the National Funding Formula, or teachers' pay and remuneration, including changes in National Insurance and pension contribution rates, also pose potential risks to the Trust. Following the recent revaluation of the Teachers' Pension Scheme, indications have been made that there will be an increase the employer contribution rate payable by the Trust; further details are being awaited. The Board keep themselves apprised of proposed changes to educational funding, policy and procedures, through subscribing to relevant publications and working with specialist advisors.

Early, prudent financial planning and continual management of the workforce is essential to ensure the Trust remains sustainable.

Fundraising

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

The Academy Trust does not work with any commercial partners or professional fundraisers, currently.

Plans for future periods

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

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

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Trustees' Report for the Year Ended 31 August 2018 (continued)

Funds held as Custodian Trustee on behalf of others

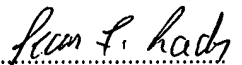
No funds are held by the Academy as custodian trustee on behalf of others.

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 19 November 2018 and signed on its behalf by:


.....
The Reverend Jean Radley
Trustee

Stramongate School

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mr M L Poole, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stramongate School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Stramongate School

Governance Statement (continued)

Governance

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

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

Trustee	Meetings attended	Out of a possible
Andrew Baxter	1	4
Kerrie Bumby	4	5
Elaine Gilpin	4	5
Amanda Conner	3	4
Maggie Donald	1	2
Shirley King	4	5
The Reverend Jean Radley	4	5
Evan Shanks	4	5
Michael Poole	5	5
Steve Randles	4	5
Martin Shufflebottom	1	4
Kate Skellern	3	4
Victoria Pimblett	1	1
Robert Timms	1	1

During the year, Mr A Baxter resigned as the Chair of Governors and was replaced by The Reverend J Radley; Reverend Radley has previously been Chair of Governors and has a wealth of experience and in depth knowledge of the Academy Trust.

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

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

The Governing Board performed a self-evaluation of its effectiveness on 15 October 2018, using the Cumbria County Council Learning Improvement Service Governing Body Health Check. The outcomes of this review were positive, with the Governing Body considering itself as operating effectively in all areas, but with some individual governors identifying opportunities for further development. In conjunction with the annual skills audit, this will be used to direct future governor training. This review will be repeated annually.

Stramongate School

Governance Statement (continued)

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

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

Attendance at meetings during the year was as follows:

Trustee	Planning meetings attended	Out of a possible
Andrew Baxter	1	3
Kerrie Bumby	1	3
Elaine Gilpin	2	3
Amanda Conner ⁱ	3	3
Maggie Donald	2	2
The Reverend Jean Radley	3	3
Evan Shanks	1	3
Michael Poole	3	3
Steve Randles	0	3
Martin Shufflebottom	0	2
Kate Skellern	2	2

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

Attendance at meetings during the year was as follows:

Trustee	Monitoring meetings attended	Out of a possible
Andrew Baxter	1	3
Kerrie Bumby	1	3
Elaine Gilpin	2	3
Amanda Conner	3	3
Maggie Donald	2	2
The Reverend Jean Radley	3	3
Evan Shanks	1	3

Stramongate School

Governance Statement (continued)

Michael Poole	3	3
Steve Randles	0	3
Martin Shufflebottom	0	2
Kate Skellern	2	2

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

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

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year and reports to the Governing Board where value for money can be improved, including the use of benchmarking data where appropriate. During the year in question, the Governing Board received training on procurement processes and best practice, based on the DfE guidance for schools, and undertook a detailed review of the procurement procedures in place for key areas of expenditure.

The Accounting Officer has delivered improved value for money during the year by:

- Generating additional income from Outreach meals provision by satisfying increasing demand for meals and benefiting from associated economies of scale;
- Undertaking a review of the School's residential trips. As a result, the duration of the off-site visit programme for Year 4 pupils was redesigned and the School has moved to an alternative provider for the Year 6 residential, with effect from the summer 2019. The resultant savings have been reinvested in offering additional visits and wider opportunities to pupils;
- Utilising government procurement frameworks and nationally negotiated deals. Contracts for clinical and sanitary waste disposal were renegotiated during the period to take advantage of the ESPO framework;
- Increasing the use of online systems to collect income from parents, including by Direct Debit, which has improved cash flow, allowing bills to be settled outside of the school day and during holidays; and
- Financial oversight and governance has been strengthened through robust challenges of spending and waste in all areas. During the current year, the process for ordering exercise books has been altered to give teachers more responsibility for the amount being spent on such books and encourage the reuse of books already held in school.

During the year, the Trust also joined the pilot North West Buying Hub, which offers procurement advice and guidance to schools.

Stramongate School

Governance Statement (continued)

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Stables Thompson & Briscoe as Responsible Officer

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

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

On a bi-annual basis, the Responsible Officer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

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

- the work of the responsible officer ;
- the work of the external auditor;

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Governance Statement (continued)

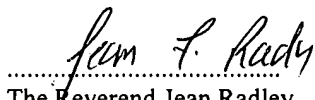
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 19 November 2018 and signed on its behalf by:



Michael Poole
Accounting officer
Head Teacher



The Reverend Jean Radley
Trustee

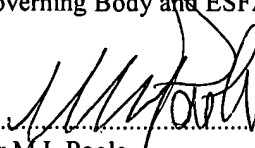
Stramongate School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Stramongate School I have considered my responsibility to notify the academy trust Governing Body 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 Governing Body 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 Governing Body and ESFA.



.....
Mr M L Poole
Accounting officer

19 November 2018

Stramongate School

Statement of Trustees' Responsibilities

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

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

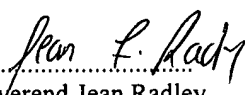
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 19 November 2018 and signed on its behalf by:


.....
The Reverend Jean Radley
Trustee

Stramongate School

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

Opinion

We have audited the financial statements of Stramongate School (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Stramongate School

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Stramongate School

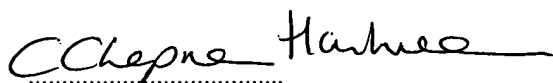
Independent Auditor's Report on the Financial Statements to the Members of Stramongate School (continued)

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

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

Use of our report

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



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

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 19/11/2018

Stramongate School

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

In accordance with the terms of our engagement letter dated 16 March 2017 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 Stramongate School during the period 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 Stramongate School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Stramongate School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stramongate School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2016, 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 from 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

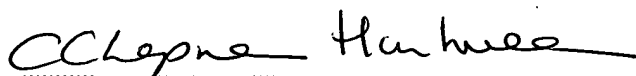
- We obtained information on the Academy's control environment and activities and considered whether these have complied with the Academies Accounts Direction and whether the activities conformed to the Academy Trust's framework of authorities.
- When testing expenditure, the authorisation was checked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

Stramongate School

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

Conclusion

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



Chloe Chapman-Hastwell ACA

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

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

19 November 2018

Stramongate School

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	6,299	22,517	8,309	37,125
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	36,898	1,612,759	-	1,649,657
Other trading activities	4	88,895	-	-	88,895
Investments	5	98	-	-	98
Total		132,190	1,635,276	8,309	1,775,775
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	81,920	1,708,920	100,723	1,891,563
Net income/(expenditure)		50,270	(73,644)	(92,414)	(115,788)
Transfers between funds		(38,965)	(3,459)	42,424	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	192,000	-	192,000
Net movement in funds/(deficit)		11,305	114,897	(49,990)	76,212
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		72,669	(680,897)	1,791,909	1,183,681
Total funds/(deficit) carried forward at 31 August 2018		83,974	(566,000)	1,741,919	1,259,893

Stramongate School

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
Income and endowments from:					
Donations and capital grants	2	8,163	21,765	8,410	38,338
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	36,789	1,661,413	-	1,698,202
Other trading activities	4	86,581	-	-	86,581
Investments	5	116	-	-	116
Total		131,649	1,683,178	8,410	1,823,237
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	77,365	1,746,065	105,087	1,928,517
Net income/(expenditure)		54,284	(62,887)	(96,677)	(105,280)
Transfers between funds		(28,976)	-	28,976	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	175,000	-	175,000
Net movement in funds/(deficit)		25,308	112,113	(67,701)	69,720
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		47,359	(793,008)	1,859,610	1,113,961
Total funds/(deficit) carried forward at 31 August 2017		72,667	(680,895)	1,791,909	1,183,681

Stramongate School

(Registration number: 07992440)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	3,599	224
Tangible assets	12	<u>1,738,320</u>	<u>1,791,685</u>
		<u>1,741,919</u>	<u>1,791,909</u>
Current assets			
Debtors	13	88,639	66,734
Cash at bank and in hand		<u>130,766</u>	<u>119,957</u>
		219,405	186,691
Creditors: Amounts falling due within one year	14	<u>(135,431)</u>	<u>(103,919)</u>
Net current assets		<u>83,974</u>	<u>82,772</u>
Total assets less current liabilities		<u>1,825,893</u>	<u>1,874,681</u>
Net assets excluding pension liability		1,825,893	1,874,681
Pension scheme liability	23	<u>(566,000)</u>	<u>(691,000)</u>
Net assets including pension liability		<u>1,259,893</u>	<u>1,183,681</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		-	10,103
Restricted fixed asset fund		1,741,919	1,791,909
Restricted pension fund		<u>(566,000)</u>	<u>(691,000)</u>
		1,175,919	1,111,012
Unrestricted funds			
Unrestricted general fund		<u>83,974</u>	<u>72,669</u>
Total funds		<u>1,259,893</u>	<u>1,183,681</u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 19 November 2018 and signed on their behalf by:


The Reverend Jean Radley
Trustee

Stramongate School

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	53,135	40,878
Cash flows from investing activities	20	<u>(42,326)</u>	<u>(28,860)</u>
Change in cash and cash equivalents in the year		10,809	12,018
Cash and cash equivalents at 1 September		<u>119,957</u>	<u>107,939</u>
Cash and cash equivalents at 31 August	21	<u><u>130,766</u></u>	<u><u>119,957</u></u>

Stramongate School

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

Basis of preparation

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

Going concern

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

Income

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

Grants

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

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

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

Donations

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Other income

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

Donated goods, facilities and services

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

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

Donated fixed assets

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Intangible fixed assets

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

Asset class	Amortisation rate
Computer software	20%

Tangible fixed assets

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

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

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

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

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

Liabilities

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Taxation

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

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

Pension benefits

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

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

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2018. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Educational trips and visits	-	22,517	-	22,517	21,765
Capital grants	-	-	8,309	8,309	8,410
Other donations	6,299	-	-	6,299	8,163
	<u>6,299</u>	<u>22,517</u>	<u>8,309</u>	<u>37,125</u>	<u>38,338</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2017/18 Total £	2016/17 Total £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	1,410,833	1,410,833	1,450,373
Other DfE / ESFA grants	-	173,015	173,015	160,895
	-	1,583,848	1,583,848	1,611,268
Other government grants				
Local authority grants	-	28,911	28,911	50,145
Non-government grants and other income				
Other trading income	36,898	-	36,898	36,789
Total grants	<u>36,898</u>	<u>1,612,759</u>	<u>1,649,657</u>	<u>1,698,202</u>

4 Other trading activities

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	13,625	13,625	13,429
Catering income	37,152	37,152	25,651
Other income	38,118	38,118	47,501
	<u>88,895</u>	<u>88,895</u>	<u>86,581</u>

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Bank Interest	98	98	116

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

	Non Pay Expenditure			2017/18 Total £	2016/17 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	1,045,779	-	139,326	1,185,105	1,213,055
Allocated support costs	345,078	200,654	160,726	706,458	715,462
	<u>1,390,857</u>	<u>200,654</u>	<u>300,052</u>	<u>1,891,563</u>	<u>1,928,517</u>

Net income/(expenditure) for the year includes:

	2017/18 £	2016/17 £
Operating lease rentals	6,115	11,028
Depreciation	100,473	103,746
Amortisation of intangible fixed assets	252	1,341
Fees payable to auditor - audit	3,995	3,995
- other audit services	<u>3,980</u>	<u>2,985</u>

7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	1,185,105	1,213,055
Support costs - educational operations	<u>706,458</u>	<u>715,462</u>
	<u>1,891,563</u>	<u>1,928,517</u>

	Educational operations £	2017/18 Total £	2016/17 Total £
Analysis of support costs			
Support staff costs	345,078	345,078	370,873
Depreciation	100,723	100,723	105,087
Premises costs	99,931	99,931	89,705
Other support costs	<u>160,726</u>	<u>160,726</u>	<u>149,797</u>
Total support costs	<u>706,458</u>	<u>706,458</u>	<u>715,462</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2017/18 £	2016/17 £
Staff costs during the year were:		
Wages and salaries	1,043,531	1,095,907
Social security costs	87,015	86,314
Operating costs of defined benefit pension schemes	<u>260,311</u>	<u>272,976</u>
	<u><u>1,390,857</u></u>	<u><u>1,455,197</u></u>

Staff numbers

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

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	20	20
Administration and support	40	43
Management	<u>2</u>	<u>2</u>
	<u><u>62</u></u>	<u><u>65</u></u>

Higher paid staff

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

	2018 No	2017 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £124,097 (2017: £126,224).

9 Related party transactions - trustees' remuneration and expenses

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

Michael Poole (headteacher and trustee):

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

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

Kerrie Bumby (staff trustee):

Remuneration: £30,000 - £35,000 (2017 - £30,000 - £35,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Elaine Gilpin (staff trustee):

Remuneration: £15,000 - £20,000 (2017 - £10,000 - £15,000)

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

Kate Skellern (staff trustee from 20 November 2018):

Remuneration: £30,000 - £35,000 (2017 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2017 - £Nil)

During the year ended 31 August 2018, expenses totalling £467 (2017 - £191) were reimbursed or paid directly to 4 trustees (2017 - 3).

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

10 Trustees' and officers' insurance

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

11 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2017	10,811	10,811
Additions	<u>3,627</u>	<u>3,627</u>
At 31 August 2018	<u>14,438</u>	<u>14,438</u>
Amortisation		
At 1 September 2017	10,587	10,587
Charge for the year	<u>252</u>	<u>252</u>
At 31 August 2018	<u>10,839</u>	<u>10,839</u>
Net book value		
At 31 August 2018	<u>3,599</u>	<u>3,599</u>
At 31 August 2017	<u>224</u>	<u>224</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Building improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost					
At 1 September 2017	1,720,000	233,651	153,092	109,529	2,216,272
Additions	-	31,496	5,050	10,560	47,106
At 31 August 2018	<u>1,720,000</u>	<u>265,147</u>	<u>158,142</u>	<u>120,089</u>	<u>2,263,378</u>
Depreciation					
At 1 September 2017	186,333	96,078	71,964	70,210	424,585
Charge for the year	<u>34,400</u>	<u>22,664</u>	<u>23,140</u>	<u>20,269</u>	<u>100,473</u>
At 31 August 2018	<u>220,733</u>	<u>118,742</u>	<u>95,104</u>	<u>90,479</u>	<u>525,058</u>
Net book value					
At 31 August 2018	<u>1,499,267</u>	<u>146,405</u>	<u>63,038</u>	<u>29,610</u>	<u>1,738,320</u>
At 31 August 2017	<u>1,533,667</u>	<u>137,573</u>	<u>81,128</u>	<u>39,319</u>	<u>1,791,687</u>

13 Debtors

	2018 £	2017 £
Trade debtors	863	312
VAT recoverable	17,549	14,477
Prepayments	<u>70,227</u>	<u>51,945</u>
	<u>88,639</u>	<u>66,734</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	47,887	10,359
Other taxation and social security	18,409	20,420
Other creditors	264	195
Accruals	12,239	13,716
Deferred income	33,016	34,738
Pension scheme creditor	23,616	24,491
	<u>135,431</u>	<u>103,919</u>
	2018 £	2017 £

Deferred income

Deferred income at 1 September 2017	34,738	44,766
Resources deferred in the period	33,016	34,738
Amounts released from previous periods	<u>(34,738)</u>	<u>(44,766)</u>
Deferred income at 31 August 2018	<u>33,016</u>	<u>34,738</u>

Deferred income relates to income received in respect of the 2018/19 academic year.

15 Funds

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

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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
Restricted Funds	2,992	1,683,178	(1,676,067)	-	10,103
Restricted fixed asset funds					
Restricted Fixed Asset Fund	1,859,610	8,410	(105,087)	28,976	1,791,909
Restricted pension funds					
Restricted Pension Reserve	<u>(796,000)</u>	<u>-</u>	<u>(70,000)</u>	<u>175,000</u>	<u>(691,000)</u>
Total restricted funds	1,066,602	1,691,588	(1,851,154)	203,976	1,111,012
Unrestricted funds					
Unrestricted general funds	<u>47,359</u>	<u>131,650</u>	<u>(77,364)</u>	<u>(28,976)</u>	<u>72,669</u>
Total funds	<u>1,113,961</u>	<u>1,823,238</u>	<u>(1,928,518)</u>	<u>175,000</u>	<u>1,183,681</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
Restricted Funds	2,992	3,318,454	(3,317,987)	(3,459)	-
Restricted fixed asset funds					
Restricted Fixed Asset Fund	1,859,610	16,719	(205,810)	71,400	1,741,919
Restricted pension funds					
Restricted Pension Reserve	<u>(796,000)</u>	<u>-</u>	<u>(137,000)</u>	<u>367,000</u>	<u>(566,000)</u>
Total restricted funds	1,066,602	3,335,173	(3,660,797)	434,941	1,175,919
Unrestricted funds					
Unrestricted general funds	<u>47,359</u>	<u>263,840</u>	<u>(159,284)</u>	<u>(67,941)</u>	<u>83,974</u>
Total funds	<u>1,113,961</u>	<u>3,599,013</u>	<u>(3,820,081)</u>	<u>367,000</u>	<u>1,259,893</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

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

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

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

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

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

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

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	224	224
Tangible fixed assets	-	-	1,791,685	1,791,685
Current assets	72,667	114,024	-	186,691
Current liabilities	-	(103,919)	-	(103,919)
Pension scheme liability	-	(691,000)	-	(691,000)
Total net assets	72,667	(680,895)	1,791,909	1,183,681

17 Capital commitments

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	4,970	7,695
Amounts due between one and five years	<u>5,582</u>	<u>11,480</u>
	<u>10,552</u>	<u>19,175</u>

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	2017/18	2016/17
	£	£
Net expenditure	(115,788)	(105,280)
Amortisation	252	1,341
Depreciation	100,473	103,746
Capital grants from DfE and other capital income	(8,309)	(8,410)
Interest receivable	(98)	(116)
Defined benefit pension scheme obligation inherited	67,000	70,000
Increase in debtors	(21,905)	(789)
Increase/(decrease) in creditors	31,512	(19,613)
Net cash provided by Operating Activities	<u>53,137</u>	<u>40,879</u>

20 Cash flows from investing activities

	2018	2017
	£	£
Dividends, interest and rents from investments	98	116
Purchase of intangible fixed assets	(3,627)	-
Purchase of tangible fixed assets	(47,106)	(37,386)
Capital funding received from sponsors and others	8,309	8,410
Net cash used in investing activities	<u>(42,326)</u>	<u>(28,860)</u>

21 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	<u>130,766</u>	<u>119,957</u>
Total cash and cash equivalents	<u>130,766</u>	<u>119,957</u>

22 Members' liability

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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations

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

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

Contributions amounting to £23,616 (2017 - £24,490) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (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%.

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

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 £113,779 (2017: £115,871). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £93,000 (2017 - £106,000), of which employer's contributions totalled £74,000 (2017 - £84,000) and employees' contributions totalled £19,000 (2017 - £22,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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 %
Rate of increase in salaries	3.60	3.70
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	2.80	2.40
Inflation assumptions (CPI)	<u>2.10</u>	<u>2.20</u>

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

	2018	2017
Retiring today		
Males retiring today	23.20	23.10
Females retiring today	25.80	25.70
Retiring in 20 years		
Males retiring in 20 years	25.50	25.40
Females retiring in 20 years	<u>28.50</u>	<u>28.40</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

	2018	2017
	£	£
Equities	549,000	489,000
Government bonds	198,000	182,000
Other bonds	71,000	64,000
Property	103,000	81,000
Cash and other liquid assets	67,000	54,000
Other	141,000	129,000
Total market value of assets	<u>1,129,000</u>	<u>999,000</u>

The actual return on scheme assets was £51,000 (2017 - £71,000).

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	50,000	52,000
Net interest cost	15,000	16,000
Admin expenses	2,000	2,000
Total amount recognised in the SOFA	<u>67,000</u>	<u>70,000</u>

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

	2017/18 £	2016/17 £
At start of period	1,690,000	1,622,000
Current service cost	124,000	136,000
Interest cost	40,000	34,000
Employee contributions	19,000	22,000
Actuarial (gain)/loss	(166,000)	(113,000)
Benefits paid	<u>(12,000)</u>	<u>(11,000)</u>
At 31 August	<u>1,695,000</u>	<u>1,690,000</u>

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

	2017/18 £	2016/17 £
At start of period	999,000	826,000
Interest income	25,000	18,000
Actuarial gain/(loss)	26,000	62,000
Employer contributions	74,000	84,000
Employee contributions	19,000	22,000
Benefits paid	(12,000)	(11,000)
Effect of non-routine settlements	<u>(2,000)</u>	<u>(2,000)</u>
At 31 August	<u>1,129,000</u>	<u>999,000</u>

24 Related party transactions

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

Stramongate School

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Related party transactions (continued)

Expenditure related party transactions

During the year the academy made the following related party transactions:

Richard Noble

(Husband of Denise Noble, who was School Business Manager and Company Secretary to 31st August 2018.)

Provision of maintenance work, with the total cost to the academy of £7,204 during the year (2017 - £7,191).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due to Richard Noble was £3,984 (2017 - £Nil).