



# **Outwoods Edge Primary School**

**OUTWOODS EDGE PRIMARY SCHOOL**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**OUTWOODS EDGE PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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# OUTWOODS EDGE PRIMARY SCHOOL

(A company limited by guarantee)

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

<b>Members</b>	Rachel Phillips Bobby Peach Barry Bookham Emma Moore
<b>Trustees</b>	Emma Moore, Chair of Trustees <sup>1</sup> Kulraj Bhangra (appointed 19 December 2017) Barry Bookham <sup>1,2</sup> Bernard Fowler <sup>1</sup> Sarah Gostelow (appointed 27 November 2017) Mark Maksymiw, Headteacher and Accounting Officer <sup>1</sup> Katie Masters Nicola Miles (resigned 11 September 2017) <sup>1</sup> Emma Nadin Bobby Peach <sup>2</sup> Rachel Phillips <sup>1,2</sup> Julie Ralph (resigned 25 June 2018) Nikki Ranzetta Joe Roughton (resigned 11 September 2017) Kat Sharp (appointed 19 December 2017) Debbie Tack Claire Wilson <sup>1</sup>
	<sup>1</sup> Finance Committee <sup>2</sup> Audit committee
<b>Company registered number</b>	08188239
<b>Company name</b>	Outwoods Edge Primary School
<b>Principal and registered office</b>	Redwood Road Loughborough LE11 2LD
<b>Company secretary</b>	Mary Jones
<b>Senior management team</b>	Mark Maksymiw, Headteacher Claire Wilson, Deputy Headteacher Ian Reeve, Assistant Headteacher Mary Jones, Business Manager
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
<b>Bankers</b>	Lloyds Bank Plc 37-38 High Street Loughborough LE11 2QG

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Solicitors**                   Leicestershire County Council  
County Hall  
Glenfield  
Leicester  
LE3 8RF

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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

The Trust operates as an Academy for pupils aged 4 to 11 serving a catchment area of Loughborough. It has a pupil capacity of 420 and had a roll of 414 on the school census at May 2018.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Outwoods Edge Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Outwoods Edge Primary School.

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

### **Members' liability**

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

### **Trustees' indemnities**

In accordance with normal practice the Academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £3 million and in the period under review the sum of £346 inclusive of tax was paid.

### **Method of recruitment and appointment or election of Trustees**

The articles outline the different types of Trustee, each category has slightly differing election processes, as outlined below:

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post which is held Ex Officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The Members may appoint up to 3 Trustees. The Members are Rachel Philips, Bobby Peach, Barry Bookham and Emma Moore. The appointment is by means of a signed resolution.

The Board of Trustees may appoint up to 3 Community Trustees, by majority vote at a meeting of the full Board of Trustees.

A minimum of 3, and up to 5, Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected.

The Headteacher and Deputy Headteacher are Trustees Ex Officio.

Up to 2 Staff Trustees shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Headteacher and Deputy Headteacher). If a Staff Trustee ceases to work at the Academy then he or she shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of his or her work at the Academy. Any

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**TRUSTEES' REPORT (continued)**  
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election of a Staff Trustee which is contested shall be decided by secret ballot.

The Trustees may appoint up to 3 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

Trustees are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

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

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

In the course of the first year, all Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governor. As there are normally few new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

**Organisational structure**

The structure of the Academy consists of two senior levels: the Board of Trustees (Governing Body) and the Headteacher leading the senior leadership team which includes the Deputy and Assistant Headteachers and the school Business Manager. The Deputy Headteacher has responsibility for Key Stage 2 and the Assistant Head is the leader of Key Stage 1.

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

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

The Headteacher and senior leadership team control the Academy at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

The Board of Trustees has established five sub-committees. Each sub-committee has its own terms of reference detailing their responsibilities. A Trustees' decision planner sets out the scheme of delegation, showing what responsibilities are devolved to each sub-committee, to the Headteacher (the Accounting Officer) and to the senior leadership team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Trustees annually. The Academy has an approved Financial Handbook which details the school's authorised spending limits.

The sub committees of the Board of Trustees are:

- Finance committee
- Strategy committee
- Pupils committee
- Resources committee (including staffing)
- Audit committee
- Pay committee
- Appeals committee

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**Arrangements for setting pay and remuneration of key management personnel**

The statutory requirements for teachers' pay and conditions for maintained schools in England and Wales are set out in the school teachers' pay and conditions 2015 produced by the Department for Education, and Outwoods Edge Primary School abides by these. The Education Act 2002 (the Act) gives the Secretary of State power to issue guidance on pay and conditions matters, to which those concerned must have regard.

The Board of Trustees has adopted a policy that sets out the basis on which it determines teachers' pay and the date by which it will determine teachers' annual pay reviews.

When determining the remuneration of a teacher, the Academy has regard to its pay policy and to the teacher's particular post within its staffing structure.

The pay policy is linked to the appraisal policy. Pay and appraisal policies are reviewed annually and kept up to date to take account of any uplift to the national framework and any legal changes or changes in the staffing structure which have an impact on discretionary pay decisions. Teachers and representatives of recognised unions are consulted on formulating the policies and on any changes to them. Copies of the pay policy are readily available within the school.

**Related Parties and other Connected Charities and Organisations**

1. Outwoods Edge Primary School is part of a collaborative working group known as Loughborough Primary Academy Partnership. The partnership has a charter which provides a framework for working together.

*The Members will at all times work for the best education for all the children within the Academy Partnership through the adoption and development of supportive and collaborative working principles between the Members.*

The Loughborough Primary Academy Partnership continued to work closely in 2017/18. It's priorities for this academic year were:

Develop a formal process to support and challenge colleagues to ensure the continued strength of each school in the group.

At the beginning of the year each school completed a vulnerability index – this is a measure of each school's performance as well as other key indicators such as finance and attendance. Each school rated itself, which then allowed the group to focus support where might be required. This year three schools requested support and three schools provided it. This proved to be a robust model and will be adopted again in 2018/19.

Support new Headteachers who join LPAP

Two new Headteachers joined LPAP in 2017/18. The group was keen to ensure that they were provided with support from the group from the beginning of their time in Loughborough. In fact, existing Headteachers from the group were involved in their appointments and this helped new members to understand the importance of LPAP. Feedback from the new Headteachers confirmed that they felt well supported through the group and by the specific Headteachers who were identified as mentors.

For schools to provide the opportunity for teachers to quality assure judgements about children's work.

Another example of the support and challenge is the moderation work undertaken across the schools in 2017/18. Teachers from all the schools had the opportunity to work together to evaluate children's work and share judgements about writing, maths and topic work. This resulted in more accurate assessments of children's work.

For Headteachers and other members of staff to have the opportunity to work with colleagues outside the LPAP group.

LPAP Headteachers continued to be part of a project started about 3 - 4 yrs ago. The aim was for schools to be

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more outward focused, looking at other schools outside Leicestershire. Consequently this project was with schools in Birmingham, Bristol and Devon and was really successful year last year. This year LPAP staff went to Bristol in March to look at different schools and the group included many deputies as well as Headteachers. The process was very beneficial and all staff felt that they learnt a lot from visiting schools and talking to colleagues. It enabled senior staff to reflect on their own practice as they were challenging leaders in another school.

Schools in Loughborough hosted visiting Headteachers last November and benefitted from their thoughts and ideas. Each school invited the visiting leaders to examine an area of development and their perspective was often fresh and thought provoking.

2. The land and school buildings are leased from Leicestershire County Council. The school therefore has an on going relationship with the Local Authority. Outwoods Edge also purchases services from the Local Authority including payroll, health and safety, admissions and audit services.

## **OBJECTIVES AND ACTIVITIES**

Objects and aims

*Every Child, Every Day, Every Future*

The school's ethos and values are encapsulated in the key phrase that accompanies our new logo. The strapline encapsulates three features of the school that informs the way we work with the children and school family. Firstly, Outwoods Edge serves a diverse community and we recognise that children come to school with different needs, experiences and expectations. Therefore every day in school is important to ensure that all children develop a love of learning and a belief in themselves that they can succeed. Finally, one of our key goals is to ensure that children are equipped to continue this success at secondary school and that they develop the ambition and drive to aim high when they look to the future.

*Outwoods Edge Strategy Document 2015 - 2021 (revised 2018)*

Learning Environment

By using resources both from within and outside the school, Outwoods Edge aims to maintain a Learning Environment that is safe and promotes learning. Staff will be encouraged to and should show a commitment to use the available space in a flexible and imaginative way. The school and grounds will be well maintained with up to date equipment and resources. There will be a particular emphasis on ICT and ensuring we provide suitable access, support & facilities. This will enable children to develop skills fit for living and working in Britain in the 21st Century.

Teaching & Learning

Children will be inspired by their lessons at Outwoods Edge. Outstanding teaching will engage all children. The lessons will form a broad and balanced curriculum, one that utilises the school's environment and opportunities for learning further a field, one that inspires children to be learners and develops their natural inquisitive nature. Children will master the key skills set out in the National Curriculum but also develop the knowledge, understanding & independence to flourish, once they leave primary school. Teachers will always strive to engage everyone so that each child makes outstanding progress with their learning.

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### Financial Management

Through sound financial management, Outwoods Edge seeks to maximise the resources available to its children and staff, and support the whole learning environment, whilst ensuring the long-term stability of the school. We seek to strike a balance between meeting the immediate needs of the children, with the investments required to improve the facilities and equipment available in the longer-term, and we continually look for efficiencies which will allow the release of further funds to support the development plan. It is our 5-year goal to ensure that the school continues to ring-fence an amount equal to the school's reserves policy (currently £80,000), and that all other funds are spent (or committed) in the support of the development plan.

### Community

At Outwoods Edge, our children & staff are a valued part of the local community. Children, parents and staff participate in community activities, whether for the benefit of the school, the community or for the benefit of other organisations. When children are out in the community, they represent our school well and are often praised for their behaviour by members of the community. School trips often make use of the local area and they enhance the learning experience of the children. They provide a valuable insight into the community that is around the children. Staff are encouraged to take an active role in community activities.

### Staffing

At Outwoods Edge we will employ the best staff to meet the needs of the children and the school. Those who work here can look forward to a comprehensive professional development programme to enable them to plan and deliver outstanding learning opportunities for the children. Outstanding practice will be identified and shared across the school and with our partner schools in the LPAP group. All staff will be encouraged to evaluate the contribution they can make to the ongoing success of Outwoods Edge where innovation, inspiration and creativity is welcomed.

### Wellbeing

At Outwoods Edge we work to encourage the well-being of all pupils & staff. Taking well-being as an approach to support physical, emotional and educational development of the pupils, we will use appropriate strategies widely in school, as well as individual interventions where necessary, to help provide the best start to life for every child. We will ensure that school is a safe, supportive and secure environment with opportunities for children to learn about keeping themselves healthy and adopt a Growth Mind Set in the challenges they face now and in the future.

## **Objectives, strategies and activities**

### School Improvement

There were four areas for development in 2017/18: CPD, assessment, curriculum, English, Maths and Growth Mind Set

Objective 1 (CPD) – To ensure that the Teacher and Support Staff Standards are embedded.

The Teachers' Standards was introduced in 2011 and reviewed in 2013. The purpose of the document was to give Headteachers and other senior managers criteria by which they could judge the performance of a teacher. The aim of this part of the development plan was to put the standards at the heart of any judgement of teacher performance and self-reflection. Therefore, it was important to ensure all teachers knew the contents of the Teachers' Standards document and how the standards related to their everyday practice. Teachers could also identify their strengths and weaknesses using the various strands of the document and any develop points could be highlighted in their Performance Management reviews. A similar process was planned for the support staff. Some preliminary work was completed but further work needs to continue in 2018/19.

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Objective 2 (Assessment) To ensure that a common assessment system in use throughout Key Stage 1 and 2.

The development of an effective assessment process has been ongoing since the introduction of the new National Curriculum in 2014. Several systems have been used at school but a new system was introduced in 2017. It was not the one that was originally identified by the school. Instead it was one that built on the day to day assessments carried out by teachers. All teachers received training about how to use the system and the results were used to inform the termly assessment meetings held across all year groups.

The assessments were used to identify children who needed more support particularly in English and Mathematics. The aim was to increase the number of children reaching the expected level by the time they completed Year 6. This year 73% of the children in Year 6 reached the expected level for Reading, Writing and Mathematics. That is up from 54% in 2016/17.

Objective 3 (English) - To develop the teaching and enjoyment of reading across the school.

A new library was designed and developed in school. New books were bought to ensure that the library had an up to date selection of fiction material. A non-fiction section was also developed with further new material. A librarian was employed to ensure that the library's day to day functions were operating smoothly. This included a new online system to borrow books.

A member of the English team attended training on a new guided reading approach which she subsequently introduced to her class. Results for this group improved and therefore the approach is being rolled out across the school in the new academic year.

Objective 4 ( Maths) - To improve the results of children's performance in mathematics.

The children's performance in maths improved this year, particularly in Year 6, where the percentage of children reaching the expected level increased from 62.5% to 83%. The percentage of children reaching the expected level in Key Stage 1 was above the national result and those children judged as working above this standard increased from 15% to 24%.

Mr Law, the school's maths co-ordinator delivered several staff meetings to improve the provision of guided reasoning and problem solving lessons across the school. He monitored the impact of this approach as well as the introduction of lessons aimed at developing children's fluent arithmetic skills. Finally, Mr Law worked with the leadership team to evaluate several new maths schemes before deciding to buy one called Power Maths. This helped to provide a consistent approach all phases of the school.

Objective 5 (Growth Mind Set) - To introduce our Super Learning Powers to all stakeholders.

We started with staff meetings for both teaching and support staff. We collaboratively thought of our five Super Learning Powers, after much discussion about what types of characteristics we would like Outwoods Edge children to possess. The following Super Learning Powers were decided upon:

Resilience, Reflectiveness, Independence, Curiosity and Co-operation.

Planning was updated to reflect our approach to Growth Mindset in the curriculum and our 'Drivers' (curriculum subjects) for our topics were replaced with our Super Learning Powers. All our planning documentation highlights how a Super Learning Power is taught and embedded to the children both at a broader level on Long Term Plans and on a daily basis through our Short Term (lesson Plans).

After this, teachers were given Growth Mindset resources which explicitly taught the Super Learning Powers e.g. co-operation. Lessons were tailored to suit different cohorts and ages of children as well as some individuals who were struggling with a particular Super Learning Power and what it meant. We reflected on the success of these lessons and assemblies highlighted areas which needed further work, for example, resilience. Some children had intervention through our Learning Mentor who worked on resilience and co-operation as well as becoming an independent learner

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Finally, our school environment promotes and celebrates our Growth Mindset approach through our Super Learning Powers as displays and posters are in every classroom, have been in prominent learning areas e.g. library, hall. The FS and KS1 classrooms all have class bears who help to embed the SLPs through rewards and praise e.g. bear sits with a child who shows independent working or a table who has co-operated well. The next step would be to familiarise new staff with the Super Learning Powers and ensure this good practice is continuing throughout school.

**Public benefit**

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

The Academy's public benefit is enshrined in its charitable objects, which state:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad curriculum: and
- To promote for the benefit of the inhabitants of Loughborough and the surrounding area the provision of facilities for recreational or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the inhabitants.

**STRATEGIC REPORT**

**Key performance indicators**

Key Stage Results 2018

<b>Foundation Stage</b>	Good Level of Development 78.3%	
<b>Key Stage 1</b>	% of children reaching the expected standard or working at a Greater Depth	
Reading	Writing	Mathematics
76%	91%	81%

<b>Key Stage 2</b>	% of children reaching the expected standard or working at a Greater Depth (national in brackets)		
Reading	Writing	Mathematics	Grammar, Spelling and Punctuation
85% (75%)	83% (76%)	83% (76%)	78% (78%)

**Ofsted Inspection Outcome**

The school was inspected on 30 June 2016 and was judged as good.

**Attendance Data**

Academic year 2013-14	96% present
Academic year 2014-15	96.8% present
Academic year 2015-16	96.3% present
Academic year 2016-17	96.8% present
Academic year 2017-18	96.3% present

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**Going concern**

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

**Financial review**

The Academy had a net increase in funds for the year ended 31 August 2018 of £109,225 including fixed assets movements. As at 31 August 2018 the Academy held £158,210 of unrestricted reserves plus £190,783 of unspent (non-fixed asset) restricted funds. The Academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £348,993.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £613,000 at 31 August 2018 and a fixed asset reserve of £3,007,564 being the book value of past purchases.

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

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

The Academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

**Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately £80,000.

Actual free reserves plus unspent GAG as at 31 August 2018 were £326,196 being £246,196 higher than the target level set by the Trustees. The Trustees intend to bring the reserves back into line with target by spending on improvements to existing classrooms, additional ICT equipment and to contribute towards the future in-year deficits forecast for the next 3 financial years. The Academy also held other available restricted funds at the year end of the year of £13,000 of Pupil Premium, £9,647 of PE Sports Grant and other reserves of £150. Total available reserves, being the four above figures, at 31 August 2018 were £348,993. Cash at bank at 31 August 2018 was £114,028 higher than total available reserves due principally to PAYE/NI and pension costs for August 2018 being paid in September 2018 and Universal Infant Free school meals income received in advance of 2018/19.

At 31 August 2018 the Academy's fixed asset reserve of £3,007,564 represented funds which could only be realised if the assets were sold.

The only reserve in deficit at the year end was the pension reserve (deficit of £613,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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**Investments policy**

At Outwoods Edge there are from time to time surplus funds which are not needed for immediate cash flow purposes. In order to make best use of available resources to maximise income, the Governors will seek to meet the following objectives:

- Manage cash flow in order to balance investment and immediate income requirements enabling the Academy to carry out its purposes effectively in the short term.
- Income from investments is to be used for furthering the Academy's aims.
- Ensure that the Academy is only exposed to low risk investments.
- That the institutions used for investments are companies authorised by the PRA (Prudential Regulation Authority).
- The investments are to be managed by the finance committee, with responsibility delegated to the Headteacher.

**Principal risks and uncertainties**

The committee chairs undertake a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the committee chairs will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

A risk register, covering low, medium and high level risks, is maintained at Academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The Academy's approach to risk management is supported by the skills within the Board of Trustees and the school. Key areas of operational risk are subject to training programmes for relevant staff. In addition, risk is included in the consideration of any proposed changes to physical and operational conditions.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. Pupil Numbers: the demand for places at the Academy is key to the ongoing success of Outwoods Edge. The Academy endeavours to ensure that parents want to send their children to Outwoods Edge by:
  - Investing in the school resources both people and physical, to ensure that the education provided is high quality;
  - Regularly reviewing the school development plan to ensure that the school is focusing on the right areas for improvement; and
  - Maintaining good inspection outcomes.

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2. Funding and financial management: the Academy acknowledges that the Academy programme and funding is an area of government policy that is outside its control, however, maintaining appropriate control of the funds provided is central to delivering the best value for all groups of pupils. This is achieved by:
- Appropriate controls for financial transactions within school;
  - Regular reporting of financial matters and reviewing these against the plans agreed;
  - Robust budget planning processes, including contingencies.
3. The consequences of a breach of regulatory requirements: as an Academy, Outwoods Edge is responsible for areas of its operation that was previously a Local Authority responsibility. To ensure that all areas of compliance are adequately addressed the Academy has:
- Employed appropriate external expertise to provide services and support in key areas;
  - Increased internal knowledge and resources as appropriate; and
  - Regularly reviews changes in the external environment that may affect the regulatory and other statutory obligations of the Academy.

At 31 August 2018 the pension deficit on the Local Government Pension Scheme stood at £613,000 (2017: £730,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contributions rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

### **Fundraising**

Outwoods Edge Primary School works together with parents to provide children with resources and experiences that will enrich their education and enjoyment of learning. The Friends of Outwoods Edge is a charitable group who organise events and fund raising opportunities for the school community. In 2017/18 these included; a Christmas Fair, storytelling events and a summer event which included a walk through the Outwoods followed by BBQ, stalls and activities.

In addition the Friends Group supported school events by providing refreshments for school events such as Christmas plays, football tournaments and end of year celebrations.

Donations to school included a contribution to a whole school cinema trip, Star Dome and Life Education Bus, Year 6 trip to Learning Zone and money to purchase new books for the new KS2 library.

### **PLANS FOR FUTURE PERIODS**

#### **Future developments**

The following priorities have been identified for 2018/19. They are the key areas of work for the school for the forthcoming year. They fit into the strategic plan in the following ways:

#### **STRATEGY STRAND - Staffing:**

CPD Continuing Professional Development – The aspiration to promote the development of all staff featured strongly in the joint staff/governor review earlier this term. Therefore, we have decided to include it as one of the key areas of this year's plan. The focus will be on joint development through working in teams (both in school and within the LPAP group) as well as the development of all staff through external training.

#### **STRATEGY STRAND - Teaching and Learning:**

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

Curriculum - This is a large area for development and has been split into 4 areas.

1. Planning for the delivery of the non-core subjects. The timetable is very crowded. We are going to review not only what we are teaching in our topics but also how we are teaching them. The daily timetable will be looked at and whether some subjects should be taught throughout the year or blocked in certain terms.
2. Guided Reading. Hayley Smith and several other members of staff have been teaching guided reading in a different way this term after attending a course. Initial results are promising and we would like to roll it out to the other year groups.
3. Power Maths. The materials for Year 3 and 4 will be available in September and so the staff can start to roll that out to their classes. The training of teachers and support staff to deliver Power Maths will be major priority particularly in the Autumn Term.
4. Comparative Judgement to grade children's writing. Comparative Judgement is an assessment technique which involves comparing a series of two pieces of writing side-by-side to establish a measurement scale. Many schools have begun to use this way of judging children's writing. Outwoods Edge children would be judged against children from other primary schools around the country. The judgements would result in a scaled score and a percentile rank for each child.

**STRATEGY STRAND - Teaching and Learning**

S.E.N. – With the appointment of a new SENCO it is envisaged that there will be a re-evaluation of SEN provision at Outwoods Edge. The evaluation and development of provision for pupils will largely take place in the Spring Term and the plan will be developed over the Autumn Term, with a plan that covers the following areas.

OUTCOMES FOR PUPILS – How is the progress of SEN tracked to ensure small steps progress is recorded and the results of intervention groups evaluated?

QUALITY OF TEACHING AND LEARNING – How are the resources allocated so that children's needs are met? How are staff provided with the skills to provide effective support for SEN. How is the provision monitored?

PERSONAL DEVELOPMENT BEHAVIOUR AND WELFARE OF PUPILS – How can provision take in the needs of the whole child as well as their academic needs?

**OUTWOODS EDGE PRIMARY SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Funds held as custodian**

No funds are held on behalf of others.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

**Auditors**

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 26 November 2018 and signed on its behalf by:

**Emma Moore  
Chair of Trustees**

**OUTWOODS EDGE PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Emma Moore	6	6
Kulraj Bhangra	4	4
Barry Bookham	6	6
Bernard Fowler	5	6
Sarah Gostelow	5	5
Mark Maksymiw	6	6
Katie Masters	6	6
Nicola Miles	0	0
Emma Nadin	5	6
Bobby Peach	6	6
Rachel Phillips	5	6
Julie Ralph	3	5
Nikki Ranzetta	2	6
Joe Roughton	0	0
Kat Sharp	4	4
Debbie Tack	4	6
Claire Wilson	6	6

There have been three resignations and three appointment during the year but there has been no change to the composition of the Board of Trustees.

- o Trustees have formed part of the curriculum development team to help identify the goals for the academic year. They have played an active role in ensuring the goals are met by contributing to staff meetings and supporting curriculum development.
- o As part of the school development plan five priority areas have been identified which fit into the strategic plan for the year. A Trustee has been assigned to each objective to support the development of each objective and to monitor its achievements.
- o The Board has undertaken an internal audit during the year to assess areas where additional training may be required in order to be able to best support the Headteacher and the curriculum development team in order to meet their goals for the academic year.
- o The Board is aware that they face financial challenges ahead and a considerable amount of work has been done to ensure that any shortfall is kept to a minimum. Trustees monitor financial data throughout the year and areas of concern are raised amongst the Board.

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

- o Trustees receive data at regular intervals from the Headteacher, data which is backed up by evidence from school reports, pupil's books and teachers assessments and marking. Trustees challenge the data provided by the Headteacher. They are also involved in regular Governor visits throughout the year which provides them with an opportunity to see evidence of teaching practice, pupil's knowledge and understanding, etc. Governor visits give Trustees an opportunity to challenge and question and feedback to the full Governing Body by way of reports.

Governance reviews:

During the 2017/2018 academic year the Governing Body carried out a review of its structure to ensure that the committees, the mechanism through which the Governors carry out their remit of supporting and challenging the Headteacher and the staff to deliver the vision for the school and to provide excellent teaching and learning for its pupils. During the review process Governors agreed that it is important for them to be effective and to be in a position where they can monitor progress against the School Development Plan.

Following a review of the remit of each committee it was agreed to merge some of the committees and therefore reduce the number of committee meetings that Governors attend and allowing them time to focus on specific key areas. During the review process Governors took the opportunity to review their skills and areas of expertise and where given the opportunity to sit on a committee and work within its remit or take on a monitoring area.

The review outlined the need to ensure that progress is monitored across the entire school's delivery of statutory requirements as regards the education and wellbeing of pupils and the management of staff and resources.

Governors agreed that the new structure should be reviewed at the end of the Autumn term to ensure that it is proving effective and that a Governor skills audit will take place during the term.

The Finance Committee is a sub-committee of the Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees in all matters relating to finance and budgeting.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mark Maksymiw	4	5
Barry Bookham	5	5
Barnard Fowler	4	5
Rachel Phillips	5	5
Emma Moore (Ex officio)	2	5

**Review of Value for Money**

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

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

- updated our IT provision in Key Stage 1 classrooms to improve teaching
- continued to seek best value in all our purchasing
- tendering for auditors with the LPAP group of schools, achieving savings for the group of over £50,000 over the next three years
- Increased staff awareness of the costs of alternative methods of photocopying/printing
- Researched the gas market at the renewal of our contract

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**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 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 Outwoods Edge Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Services as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliation's

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

The internal auditor carried out an audit in July 2018 as planned. No material control issues were identified as a result of the internal auditor's review work.

**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 26 November 2018 and signed on their behalf, by:

**Emma Moore**  
**Chair of Trustees**

**Mark Maksymiw**  
**Accounting Officer**

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**Mark Maksymiw**  
**Accounting Officer**

Date: 26 November 2018

## **OUTWOODS EDGE PRIMARY SCHOOL**

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 26 November 2018 and signed on its behalf by:

**Emma Moore**  
**Chair of Trustees**

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

**Opinion**

We have audited the financial statements of Outwoods Edge Primary School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

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

required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of Trustees**

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

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

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

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

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

**Use of our report**

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

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

Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

**Magma Audit LLP**

Chartered Accountants  
Statutory Auditors

Unit 2, Charnwood Edge Business Park  
Syston Road  
Cossington  
Leicestershire  
LE7 4UZ  
27 November 2018

## **OUTWOODS EDGE PRIMARY SCHOOL**

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Outwoods Edge Primary School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Outwoods Edge Primary School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Outwoods Edge Primary School's funding agreement with the Secretary of State for Education dated 22 July 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

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

**Conclusion**

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

**Reporting Accountant**

Magma Audit LLP

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

27 November 2018

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Note					
<b>INCOME FROM:</b>					
Donations and capital grants	2	-	6,567	9,714	16,281
Charitable activities	3	-	1,766,092	-	1,766,092
Other trading activities	4	48,548	-	-	48,548
Investments	5	679	-	-	679
<b>TOTAL INCOME</b>		<b>49,227</b>	<b>1,772,659</b>	<b>9,714</b>	<b>1,831,600</b>
<b>EXPENDITURE ON:</b>					
Raising funds		21,397	-	-	21,397
Charitable activities		-	1,821,765	109,213	1,930,978
<b>TOTAL EXPENDITURE</b>	6	<b>21,397</b>	<b>1,821,765</b>	<b>109,213</b>	<b>1,952,375</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>					
Transfers between funds	17	27,830	(49,106)	(99,499)	(120,775)
		-	(44,875)	44,875	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		<b>27,830</b>	<b>(93,981)</b>	<b>(54,624)</b>	<b>(120,775)</b>
Actuarial gains on defined benefit pension schemes	22	-	230,000	-	230,000
<b>NET MOVEMENT IN FUNDS</b>		<b>27,830</b>	<b>136,019</b>	<b>(54,624)</b>	<b>109,225</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		130,380	(558,236)	3,062,188	2,634,332
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>158,210</b>	<b>(422,217)</b>	<b>3,007,564</b>	<b>2,743,557</b>

The notes on pages 29 to 51 form part of these financial statements.

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**REGISTERED NUMBER: 08188239**

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	<b>Note</b>	<b>£</b>	<b>2018 £</b>	<b>2017 £</b>
<b>FIXED ASSETS</b>				
Intangible assets	12		<b>4,659</b>	8,987
Tangible assets	13		<b>3,002,905</b>	3,053,201
			<hr/> <b>3,007,564</b>	<hr/> 3,062,188
<b>CURRENT ASSETS</b>				
Stocks	14	<b>3,195</b>		3,229
Debtors	15	<b>31,812</b>		47,332
Cash at bank and in hand		<b>463,021</b>		419,799
		<hr/> <b>498,028</b>		<hr/> 470,360
<b>CREDITORS:</b> amounts falling due within one year	16	<b>(149,035)</b>		(168,216)
			<hr/> <b>348,993</b>	<hr/> 302,144
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/> <b>3,356,557</b>	<hr/> 3,364,332
Defined benefit pension scheme liability	22	<b>(613,000)</b>		(730,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<hr/> <b>2,743,557</b>	<hr/> 2,634,332
<b>FUNDS OF THE ACADEMY</b>				
Restricted funds:				
Restricted income fund	17	<b>190,783</b>		171,764
Fixed asset fund	17	<b>3,007,564</b>		3,062,188
		<hr/> <b>3,198,347</b>		<hr/> 3,233,952
Restricted funds excluding pension liability				3,233,952
Pension reserve		<b>(613,000)</b>		(730,000)
		<hr/> <b>2,585,347</b>		<hr/> 2,503,952
Total restricted funds			<hr/> <b>2,585,347</b>	<hr/> 2,503,952
Unrestricted income funds	17		<b>158,210</b>	130,380
			<hr/> <b>2,743,557</b>	<hr/> 2,634,332
<b>TOTAL FUNDS</b>			<hr/> <b>2,743,557</b>	<hr/> 2,634,332

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:

**Emma Moore**  
**Chair of Trustees**

The notes on pages 29 to 51 form part of these financial statements.

**OUTWOODS EDGE PRIMARY SCHOOL**  
(A company limited by guarantee)

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>87,418</b>	46,576
<b>Cash flows from investing activities:</b>			
Interest received		<b>679</b>	1,516
Purchase of tangible and intangible fixed assets		<b>(54,589)</b>	(122,592)
Capital grants from DfE and other capital grants		<b>9,714</b>	8,646
<b>Net cash used in investing activities</b>		<b>(44,196)</b>	(112,430)
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents at 1 September 2017		<b>43,222</b>	(65,854)
		<b>419,799</b>	485,653
<b>Cash and cash equivalents at 31 August 2018</b>	20	<b>463,021</b>	419,799

The notes on pages 29 to 51 form part of these financial statements.

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

**1.2 FUND ACCOUNTING**

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

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

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Intangible assets costing £1,000 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, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	straight line over 3 years
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**OUTWOODS EDGE PRIMARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	2% straight line
Leasehold land (125 year lease)	-	over 125 years
Leasehold buildings - improvements to playground	-	over 20 years
Computer equipment	-	33% straight line
Fixtures and fittings	-	over 7 years

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

**1.8 OPERATING LEASES**

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

**1.9 STOCKS**

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

**1.10 CASH AT BANK AND IN HAND**

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.11 LIABILITIES AND PROVISIONS**

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

Provisions are 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.

**1.12 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

**1.13 TAXATION**

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

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

**1.14 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

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

**Defined benefit pension scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

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**OUTWOODS EDGE PRIMARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	6,567	1,135	7,702	5,693
Capital grants	-	-	8,579	8,579	8,646
	-	6,567	9,714	16,281	14,339
Total 2017	-	5,693	8,646	14,339	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,514,536	1,514,536	1,569,832
Other DfE Group grants	-	179,897	179,897	175,509
	-	1,694,433	1,694,433	1,745,341
<b>Other government grants</b>				
Local Authority grants	-	17,479	17,479	30,500
	-	17,479	17,479	30,500
<b>Other funding</b>				
Other income	-	7,100	7,100	1,870
Income from other schools	-	1,917	1,917	3,163
Catering income	-	45,163	45,163	43,061
	-	54,180	54,180	48,094
	-	1,766,092	1,766,092	1,823,935
Total 2017	-	1,823,935	1,823,935	

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	6,796	-	6,796	6,190
Breakfast club income	35,289	-	35,289	24,905
Other income	6,463	-	6,463	5,311
	<u>48,548</u>	<u>-</u>	<u>48,548</u>	<u>36,406</u>
Total 2017	<u>36,406</u>	<u>-</u>	<u>36,406</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	679	-	679	1,516
Total 2017	<u>1,516</u>	<u>-</u>	<u>1,516</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	15,480	-	5,917	21,397	18,510
Educational Operations:					
Direct costs	1,286,569	81,910	111,496	1,479,975	1,506,601
Support costs	253,848	97,443	99,712	451,003	458,625
	<u>1,555,897</u>	<u>179,353</u>	<u>217,125</u>	<u>1,952,375</u>	<u>1,983,736</u>
Total 2017	<u>1,575,562</u>	<u>175,259</u>	<u>232,915</u>	<u>1,983,736</u>	

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

**7. CHARITABLE ACTIVITIES**

	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs - salaries	951,155	984,447
Teaching and educational support staff costs - NI	74,639	81,102
Teaching and educational support staff costs - pensions	260,775	240,431
LGPS pension interest cost (£49,000) less return on assets (£30,000)	19,000	19,000
Educational supplies	57,417	71,986
Staff development	9,759	12,347
Educational consultancy	8,100	14,262
Other direct costs	6,638	6,508
Depreciation	81,910	71,260
Technology costs	10,582	5,258
	<b>1,479,975</b>	<b>1,506,601</b>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff costs - salaries	200,202	206,316
Support staff costs - NI	8,541	8,142
Support staff costs - pensions	45,105	41,871
Recruitment	600	1,726
Maintenance of premises and equipment	18,128	24,408
Cleaning	5,202	5,742
Rates	12,001	14,765
Insurance	21,580	21,940
Depreciation	27,303	23,754
Catering	49,024	48,541
Other support costs	10,070	13,208
Security and transport	611	686
Technology costs	12,307	10,711
Energy costs	13,229	13,390
Governance	27,100	23,425
	<b>451,003</b>	<b>458,625</b>
	<b>1,930,978</b>	<b>1,965,226</b>

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

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2018</b>	2017
	<b>£</b>	£
Depreciation of tangible fixed assets:		
- capitalised by the charity	<b>104,885</b>	93,016
Auditors' remuneration - audit	<b>6,517</b>	6,681
Auditors' remuneration - other services	<b>780</b>	500
Operating lease rentals	<b>840</b>	840
	<b>=====</b>	<b>=====</b>

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	2017
	£	£
Wages and salaries	<b>1,161,385</b>	1,189,630
Social security costs	<b>84,128</b>	90,262
Pension costs	<b>308,554</b>	284,366
	<b>1,554,067</b>	1,564,258
Agency staff costs	<b>1,830</b>	11,304
	<b>1,555,897</b>	1,575,562

**b. Staff numbers**

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

	<b>2018</b>	2017
	No.	No.
Teachers	<b>18</b>	19
Administration and support	<b>66</b>	62
Management	<b>1</b>	1
	<b>85</b>	82

**c. Higher paid staff**

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

	<b>2018</b>	2017
	No.	No.
In the band £60,001 - £70,000	<b>1</b>	1

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2018 pension contributions for this staff member amounted to £11,331 (2017: £11,510).

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £285,879 (2017: £283,911). These figures include salary costs of all Trustees employed by the Academy, even where they have no management role within their employment.

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

**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

The value of Trustee' remuneration was as follows:

M Maksymiw (headteacher and Trustee)

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

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

C Wilson (Staff Trustee)

Remuneration £50,000 - £55,000 (2017: £50,000 - £55,000)

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

J Ralph (Staff Trustee)

Remuneration £5,000 - £10,000 (2017: £5,000 - £10,000)

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

D Tack (Staff Trustee)

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

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

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

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £NIL).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £346 (2017 - £521).

**12. INTANGIBLE FIXED ASSETS**

	<b>Computer software £</b>	<b>Total £</b>
<b>COST</b>		
At 1 September 2017 and 31 August 2018	<b>12,983</b>	<b>12,983</b>
<b>AMORTISATION</b>		
At 1 September 2017	<b>3,996</b>	<b>3,996</b>
Charge for the year	<b>4,328</b>	<b>4,328</b>
At 31 August 2018	<b>8,324</b>	<b>8,324</b>
<b>CARRYING AMOUNT</b>		
At 31 August 2018	<b>4,659</b>	<b>4,659</b>
At 31 August 2017	<b>8,987</b>	<b>8,987</b>

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

**13. TANGIBLE FIXED ASSETS**

	Leasehold land & buildings £	Computer equipment £	Fixtures and fittings £	Total £
<b>COST</b>				
At 1 September 2017	3,164,985	80,887	138,639	3,384,511
Additions	4,605	24,279	25,705	54,589
At 31 August 2018	<u>3,169,590</u>	<u>105,166</u>	<u>164,344</u>	<u>3,439,100</u>
<b>DEPRECIATION</b>				
At 1 September 2017	244,529	50,726	36,055	331,310
Charge for the year	59,042	25,811	20,032	104,885
At 31 August 2018	<u>303,571</u>	<u>76,537</u>	<u>56,087</u>	<u>436,195</u>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<u>2,866,019</u>	<u>28,629</u>	<u>108,257</u>	<u>3,002,905</u>
At 31 August 2017	<u>2,920,456</u>	<u>30,161</u>	<u>102,584</u>	<u>3,053,201</u>

See note 1.3 regarding assets transferred on conversion.

**14. STOCKS**

	2018 £	2017 £
Uniform and catering stock	<u>3,195</u>	<u>3,229</u>

**15. DEBTORS**

	2018 £	2017 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	770	705
VAT recoverable	5,755	11,898
Prepayments and accrued income	25,287	34,729
	<u>31,812</u>	<u>47,332</u>

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

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	12,147	27,405
Other taxation and social security	22,190	23,123
Other creditors	26,010	24,804
Accruals and deferred income	88,688	92,884
	149,035	168,216
	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	48,782	48,782
Resources deferred during the year	58,473	61,220
Amounts released from previous years	(48,782)	(48,782)
	58,473	61,220

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

**17. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	130,380	49,227	(21,397)	-	-	158,210
<b>RESTRICTED FUNDS</b>						
General Annual Grant	158,364	1,514,536	(1,460,039)	(44,875)	-	167,986
Pupil Premium	13,000	83,995	(83,995)	-	-	13,000
Other DfE Group grants	-	95,902	(86,255)	-	-	9,647
Other government grants	-	17,479	(17,479)	-	-	-
Other income	400	15,584	(15,834)	-	-	150
Catering income	-	45,163	(45,163)	-	-	-
Pension reserve	(730,000)	-	(113,000)	-	230,000	(613,000)
	(558,236)	1,772,659	(1,821,765)	(44,875)	230,000	(422,217)

**OUTWOODS EDGE PRIMARY SCHOOL**  
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**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
DfE Group capital grants	18,495	8,579	(4,693)	-	-	22,381
Transfer from Local Authority	2,575,511	-	(51,772)	-	-	2,523,739
Capital expenditure from GAG	215,369	-	(45,113)	44,875	-	215,131
Capital expenditure from unrestricted funds	94,215	-	(449)	-	-	93,766
Capital expenditure from other income	-	1,135	(146)	-	-	989
Local Authority capital grants	158,598	-	(7,040)	-	-	151,558
	<u>3,062,188</u>	<u>9,714</u>	<u>(109,213)</u>	<u>44,875</u>	<u>-</u>	<u>3,007,564</u>
Total restricted funds	<u>2,503,952</u>	<u>1,782,373</u>	<u>(1,930,978)</u>	<u>-</u>	<u>230,000</u>	<u>2,585,347</u>
Total of funds	<u><u>2,634,332</u></u>	<u><u>1,831,600</u></u>	<u><u>(1,952,375)</u></u>	<u><u>-</u></u>	<u><u>230,000</u></u>	<u><u>2,743,557</u></u>

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

**Restricted funds**

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

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The closing balance relates to funds not spent at the year end.

The DfE Group restricted funds grants consists of Universal Infant Free School Meals Grant of £68,391, rates reimbursement of £8,021 and PE Sports Grant of £19,490. The closing balance relates to PE Sports Grants.

Other government grants consist of £17,479 SEN income, all funds were spent at the year end.

Other income consists of £3,839 of contributions towards various educational costs incurred within the year and £2,000 of Sports Apprentice Bursary, £5,000 of Leicester City Clinical Commissioning Group, £100 Loughborough Primary Schools Athletic Association, £1,000 Fisher Scientific Nature Area and £3,645 of Friends of Outwoods Edge Primary School. £100 has been carried forward in relation to unspent Loughborough Primary School Athletic Association and £50 of Friends of Outwoods Edge Primary School. All other funds were fully spent.

Catering income consists of contributions from pupils for school meals, treated as restricted due to the statutory requirement to provide pupil meals linked to the GAG funding agreement. All funds have been spent in full within the year.

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**17. STATEMENT OF FUNDS (continued)**

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

**Restricted fixed asset funds**

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

The transfer from Local Authority relates to the value of £2,575,511 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the Academy on conversion. The closing balance relates to the net book value of the assets concerned.

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

Capital expenditure from unrestricted relates to capitalised expenditure allocated to the purchase of fixed assets. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from other income relates to a donation from the Co-op to be spent towards new library furniture. The closing balance relates to the net book value of the assets concerned.

Local Authority grants relate to S106 funding received for the extension of the reception area and new classrooms. The closing balance relates to the net book value of the assets concerned.

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>GENERAL FUNDS</b>						
General Funds	171,208	37,922	(18,510)	(60,240)	-	130,380
<b>RESTRICTED FUNDS</b>						
General Annual Grant	133,902	1,569,832	(1,491,664)	(53,706)	-	158,364
Pupil Premium	30,091	92,445	(109,536)	-	-	13,000
Other DfE Group grants	5,061	83,064	(88,125)	-	-	-
Other government grants	-	32,370	(32,370)	-	-	-
Other income	-	8,856	(8,456)	-	-	400
Catering income	-	43,061	(43,061)	-	-	-
Pension reserve	(878,000)	-	(97,000)	-	245,000	(730,000)
	<u>(708,946)</u>	<u>1,829,628</u>	<u>(1,870,212)</u>	<u>(53,706)</u>	<u>245,000</u>	<u>(558,236)</u>

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

**RESTRICTED FIXED ASSET FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DfE Group capital grants	12,897	8,646	(3,048)	-	-	18,495
Transfer from Local Authority	2,627,283	-	(51,772)	-	-	2,575,511
Capital expenditure from GAG	194,033	-	(32,370)	53,706	-	215,369
Capital expenditure from unrestricted funds	34,403	-	(428)	60,240	-	94,215
Capital expenditure from other income	358	-	(358)	-	-	-
Local Authority capital grants	165,636	-	(7,038)	-	-	158,598
	<u>3,034,610</u>	<u>8,646</u>	<u>(95,014)</u>	<u>113,946</u>	<u>-</u>	<u>3,062,188</u>
Total restricted funds	<u>2,325,664</u>	<u>1,838,274</u>	<u>(1,965,226)</u>	<u>60,240</u>	<u>245,000</u>	<u>2,503,952</u>
Total of funds	<u><u>2,496,872</u></u>	<u><u>1,876,196</u></u>	<u><u>(1,983,736)</u></u>	<u><u>-</u></u>	<u><u>245,000</u></u>	<u><u>2,634,332</u></u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	4,659	4,659
Tangible fixed assets	-	-	3,002,905	3,002,905
Current assets	158,210	339,818	-	498,028
Current liabilities	-	(149,035)	-	(149,035)
Pension scheme liability	-	(613,000)	-	(613,000)
	<u>158,210</u>	<u>(422,217)</u>	<u>3,007,564</u>	<u>2,743,557</u>

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Intangible fixed assets	-	-	8,987	8,987
Tangible fixed assets	-	-	3,053,201	3,053,201
Current assets	130,380	339,980	-	470,360
Current liabilities	-	(168,216)	-	(168,216)
Pension scheme liability	-	(730,000)	-	(730,000)
	<u>130,380</u>	<u>(558,236)</u>	<u>3,062,188</u>	<u>2,634,332</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(120,775)</b>	(107,540)
<b>Adjustment for:</b>		
Depreciation and amortisation charges	<b>109,213</b>	95,014
Interest receivable	<b>(679)</b>	(1,516)
Decrease/(increase) in stocks	<b>34</b>	(887)
Decrease in debtors	<b>15,520</b>	20,818
Decrease in creditors	<b>(19,181)</b>	(47,667)
Capital grants from DfE and other capital income	<b>(9,714)</b>	(8,646)
Defined benefit pension scheme cost less contributions payable	<b>94,000</b>	78,000
Defined benefit pension scheme finance cost	<b>19,000</b>	19,000
<b>Net cash provided by operating activities</b>	<b><u>87,418</u></b>	<u>46,576</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	<b>463,021</b>	419,799
Total	<b><u>463,021</u></b>	<u>419,799</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. CAPITAL COMMITMENTS**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	-	6,955
	-	6,955

**22. PENSION COMMITMENTS**

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

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

Contributions amounting to £25,645 were payable to the schemes at 31 August 2018 (2017 - 24,595) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the

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**22. PENSION COMMITMENTS (continued)**

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 £105,851 (2017 - £106,588).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £136,000 (2017 - £126,000), of which employer's contributions totalled £109,000 (2017 - £100,000) and employees' contributions totalled £27,000 (2017 - £26,000). The agreed contribution rates for future years are 23.4% - 24.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

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

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

	<b>2018</b>	2017
Retiring today		
Males	<b>22.1</b>	22.1
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>23.8</b>	23.8
Females	<b>26.2</b>	26.2

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

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

	<b>Fair value at 31 August 2018 £</b>	Fair value at 31 August 2017 £
Equities	<b>809,000</b>	749,000
Bonds	<b>353,000</b>	224,000
Property	<b>118,000</b>	89,000
Cash	<b>26,000</b>	56,000
	<hr/> <b>1,306,000</b> <hr/>	<hr/> 1,118,000 <hr/>
Total market value of assets		

The actual return on scheme assets was £56,000 (2017 - £109,000).

Expected returns on assets are calculated as follows:-

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

**Asset model**

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

Key subjective assumptions are:

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

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

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

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**22. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Current service cost	(203,000)	(178,000)
Interest income	30,000	20,000
Interest cost	(49,000)	(39,000)
	<hr/>	<hr/>
Total	<b>(222,000)</b>	<b>(197,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	1,848,000	1,766,000
Current service cost	203,000	178,000
Interest cost	49,000	39,000
Employee contributions	27,000	26,000
Actuarial gains	(204,000)	(156,000)
Benefits paid	(4,000)	(5,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>1,919,000</b>	<b>1,848,000</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,118,000	888,000
Interest income	30,000	20,000
Actuarial gains	26,000	89,000
Employer contributions	109,000	100,000
Employee contributions	27,000	26,000
Benefits paid	(4,000)	(5,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>1,306,000</b>	<b>1,118,000</b>
	<hr/> <hr/>	<hr/> <hr/>

**Sensitivity analysis**

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

<b>Change in assumptions as at 31 August 2018:</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount £</b>
0.5% decrease in Real Discount Rate	13 %	253,000
0.5% increase in the Salary Increase Rate	3 %	50,000
0.5% increase in the Pension Increase Rate	10 %	199,000

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**23. OPERATING LEASE COMMITMENTS**

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

	<b>2018</b>	2017
	£	£
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>840</b>	840
Between 1 and 5 years	<b>840</b>	1,680
Total	<b>1,680</b>	2,520

**24. MEMBERS' LIABILITY**

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

**25. RELATED PARTY TRANSACTIONS**

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

**Expenditure Related Party Transactions**

Abigail Bookham, spouse of Barry Bookham, a Trustee, is employed by the academy trust as Learning Support Assistant. Abigail Bookham's appointment was made in open competition and Barry Bookham was not involved in the decision making process regarding the appointment. Abigail Bookham is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

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

**26. CONNECTED CHARITIES**

The Friends of Outwoods Edge raises money for the school and then, in line with its own board decisions, donates funds for particular projects, or assets for the benefit of the Academy. The charity's net assets/reserves at 31 August 2018 were £2,044 (2017: £1,176). The charity's gross income for the year to 31 August 2018 was £6,844 (2017: £3,615), its expenditure was £5,970 (2017: £5,715) and its surplus was £874 (2017: deficit £2,100).