

**All Saints Academy
Dunstable**

**Annual Report and Financial
Statements**

31 August 2018

Company Limited by Guarantee
Registration Number
06853140 (England and Wales)

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	16
Statement on regularity, propriety and compliance	22
Statement of governors' responsibilities	23
Independent auditor's report on the financial statements	24
Independent reporting accountant's report on regularity	27

Financial statements

Statement of financial activities	29
Balance sheet	30
Statement of cash flows	31
Principal accounting policies	32
Notes to the financial statements	38

Reference and administrative information

Members	D Fraser (Chair) P Hughes J Reynolds Diocese of St Albans
Governors	D Fraser (Chair) M Collins B Copson (appointed 1 April 2018) J Fellows E Furber B George (Vice Chair) S Hollis (resigned 31 August 2018) P Hughes F Juliet (resigned 8 January 2018) P Knight (appointed 8 January 2018) A Perkins C Room (appointed 12 September 2018) A Spicer (resigned 20 March 2018)
Clerk to the Governors	J Brasier
Senior Leadership Team	
Principal and Accounting Officer	E Furber
Vice Principals	E Boyd M Serrao (resigned 30 April 2018)
Assistant Principals	E Boyd A O'Rourke S Miller K Searle
Business Manager	C Golding
Registered office	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal address	Houghton Road Dunstable Bedfordshire LU5 5AB

Reference and administrative information

Company registration number 06853140 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Barclays Bank plc
22-24 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3AL

Governors' report: Year to 31 August 2018

The Governors of All Saints Academy Dunstable ('the Academy') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activities

All Saints Academy Dunstable's principal activity is specifically restricted to the following:

To advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum.

Constitution

The Academy 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.

The memorandum and articles of association contain the provisions for the appointment of the members of the charitable company. The members of the charitable company comprise a representative of the Diocese of St Albans (the Principal Sponsor); up to four persons appointed by the Principal Sponsor; one person who may be appointed by the Secretary of State for Education; the Chairman of the Governors and any member if appointed by all the existing members. The current members have been nominated by the Diocese of St Albans.

The articles of association require the members of the charitable company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Governors act as Trustees for the charitable activities of All Saints Academy Dunstable ("All Saints") and as shown on page 1 are also the directors of the charitable company for the purposes of company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 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.

Governors' indemnities

In accordance with normal commercial practice, the Academy has purchased insurance through the DfE's RPA scheme to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of governors

The articles of association, which were updated in 2017-18 to reflect the latest DfE iteration in terms of stand-alone Church Schools, stipulate that there shall be eleven Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The articles of association contain provisions for the appointment of up to six Governors appointed by the Principal Sponsor; one Governor appointed by the University of Bedfordshire; two parent Governors, and a staff Governor. The Governing Body may co-opt a two further Governors. In addition, the Principal is an ex-officio Governor.

Governors' term of office is four years, but they are eligible for re-election at the meeting at which they retire. At the first full governing body meeting each academic year the Governors will elect a Chairman and a Vice-Chairman and these appointments are ratified at the AGM.

The Governors who served during the year are listed on page 1.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. 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 Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

From the outset a unified leadership structure was introduced to ensure the effective and efficient running of the Academy. This structure has been modified over time and now consists of three levels: the Governors, the Senior Leadership Team and the Middle Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments in consultation with the Principal.

During the year under review the Governors held five Full Governing Body meetings and thirteen Committee meetings.

For the bulk of the academic year 2017-18, the Senior Leadership Team was led by the Principal and comprised the Principal, two Vice Principals and four Assistant Principals. These senior leaders led the Academy at an executive level implementing the policies agreed by the Governors and reporting back to them on progress. The Principal and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Middle Leadership Team, with limits above which a Senior Manager must countersign.

The wider Management Team includes the Senior Leadership Team, the Curriculum Leaders, and the Heads of Year. These middle managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students. There is a Site Manager, ICT Network Manager, Academy Services Manager, Kitchen Manager, Finance Manager, HR Manager, Exams Manager, Data Manager and Learning Resource Centre Manager.

During the Summer Term, a new Senior Leadership structure was implemented which comprises: Executive Principal, Head of School (vacant), four Associate Principals, four Deputy Associate Principals, Academy Services Manager.

Arrangements for setting pay and remuneration of key management personnel

The governors and the senior leadership are considered to be the key management personnel of the academy trust. The pay ranges for Key Management personnel is decided by the Governing Body. The Head Teachers group pay range is Group 6 of the Bedford Borough Council's recommended pay levels.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

The Academy has nothing to disclose in respect of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Connected organisations, including related party relationships

The Academy is sponsored by the Diocese of St Albans £300,000 towards an endowment fund. In prior years this has been presented as a permanent endowment, with the Academy being entitled to use the income generated from the fund to support a range of individual students' needs. In May 2018 the Academy was granted permission from the donor and the Charity Commission for the fund to be expended, in particular on capital work needed for the Reflection Centre. Hence the amount is now an expendable endowment.

The University of Bedfordshire is a Co-Sponsor.

The Academy works with many school networks, both locally and nationally, to further the principal activities of the Academy.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objects and activity of the charitable company is the operation of All Saints Academy to provide an appropriate education for students of different abilities between the ages of 11 and 19. The Academy aims to share its recreation facilities with the local community where possible.

In accordance with the articles of association, All Saints have adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum. The catchment area for our students includes Houghton Regis and Dunstable.

The Academy welcomes students from all backgrounds.

The main objectives of the Academy during the year ended 31 August 2017 are summarised below:

Objectives, strategies and activities

The Academy's main strategy is encompassed in its mission statement and vision, which are set out below.

Academy Vision

Living Well Together with Dignity, Faith and Hope.

Mission Statements

To establish an aspirational culture of high expectations for all

- ◆ Students and staff fulfil their potential and have the highest hopes for themselves and their futures.
- ◆ Staff have faith in their own abilities to diminish the differences between the learner groups and are rewarded by the obvious impacts they make on a day to day basis.
- ◆ The community benefits from the faith they have in the Academy to produce dignified and accomplished young people.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

Mission Statements (continued)

To build a learning community that inspires students to become aspirational life-long learners

- ◆ Staff are passionate about teaching to an outstanding level. They react to feedback with dignity and enthusiastically engage in CPD opportunities to further improve their practice.
- ◆ Staff instil a love of learning in their students to facilitate them becoming life-long learners, to enable them to meet the challenges of an ever changing world.

To develop students to become resilient, respectful young citizens

- ◆ Students value all the learning opportunities that the Academy provides and relish being in school.
- ◆ Opportunities occur during inspirational lessons and also during the enrichment focus outside of normal lessons.
- ◆ Students have self-esteem and faith in the Academy which values the whole person.
- ◆ Staff model dignity in all aspects of their professional life which in turn translates into dignified responses to even the most challenging of staff and student interactions.
- ◆ Parents value the work that Academy staff undertake and trust that staff will place their children at the centre of everything they do.

To develop an aspirational curriculum

- ◆ The curriculum is designed to support the needs of all students in the belief and **hope** that students will learn to live well together.
- ◆ Our senior students are **dignified** role models who embody our mission to **live well together**. The Academy has **faith** in the aspirations of our students and ensures there are opportunities for every student to expand their horizons in the hope that the community will flourish.

Public benefit

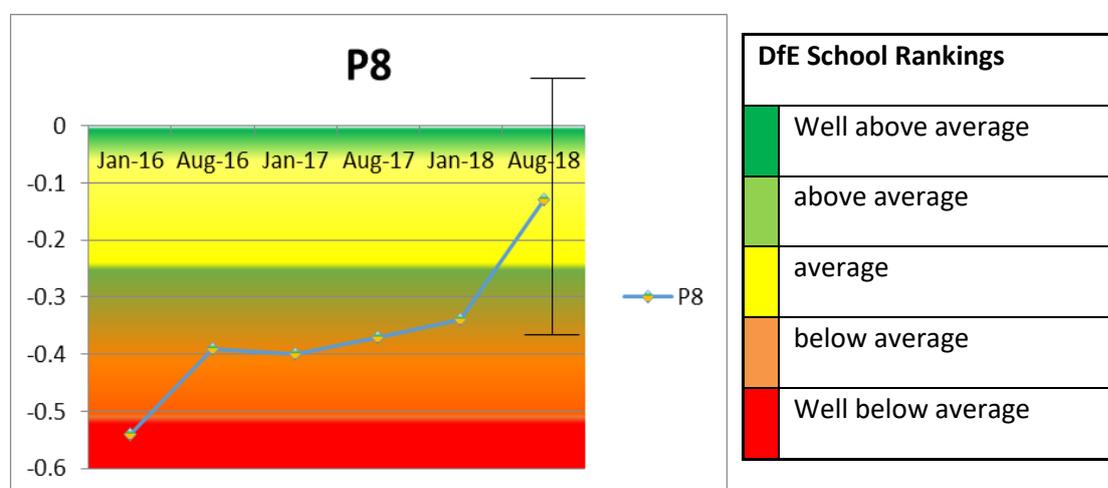
In setting the objectives and planning the activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

STRATEGIC REPORT

Achievements and performance

The Principal sets challenging data driven improvement targets for all staff including the Leadership Team. This data-driven approach has been successful again, with Progress 8 reaching -0.13 (preliminary) in the summer of 2018. The percentages for EM 4 and 5 increased to 47% and 18%. The Academy is one of only 3 of the 11 secondary schools in the Local Authority that has increased in every element, demonstrating the robustness of its preparation of youngsters for the examinations. After a focus on Academic Excellence last year, the Academy has shown an Attainment 8 score increase of 3.5 points and this is counter to County trends again.

Additionally, this can be evidenced by the transition from coasting (P8=-0.34) to non-coasting (P8=-0.13). The Upper Confidence interval in the DfE preliminary data is +0.11 (LCI= -0.37), which takes the Academy into the next DfE category of being an Average (middle 40%) school.



Over the last few years the trajectory of diminishing the difference in P8 has been maintained and in summer 2018 remained negligible at -0.2 or a fifth of a grade.

	2018
P8 All	-0.12
P8 Disadvantaged	-0.24
P8 Non-Disadvantaged	-0.04
Gap	-0.20

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities

The Academy is at a very exciting juncture with all RI teachers moving on or improving last year. This year staff CPD has been carefully considered to embed the use of iPads and all students have been issued with their own iPad.

The Academy has had a £1.8 million (33%) budget loss in the last three years but with careful management and streamlining of all costs, the Governors, Principal and Senior Leaders have been determined to get the iPad project up and running this year to ensure three key priorities: Diminishing the difference between disadvantaged and non-disadvantaged; raising the engagement of boys; preparing students to become independent learners.

Governors have recognised and implemented changes to the structure of the SLT so that a culture enabling pupils and staff to excel and progress has been created. Governors have implemented a number of staffing reviews, resulting in significant changes, with a view to further enhancing the learning process. Most recently, they led on a restructure of the SLT, in response to a DfE monitoring visit recommendation about succession planning.

External Visits

A DfE monitoring visit took place in November 2017. The visit concluded that the strong leadership provided by the Principal, which is acknowledged in all the reports and feedback, needs more proactive support by the SLT. The Governing Body subsequently addressed the lack of succession planning in the leadership team by completing an SLT review in May 2018.

Staffing

The new SLT allows for any of the Assistant Principals to develop, either internally or externally, and have an automatic replacement in their corresponding Deputy. The Head of School role is vacant but will be appointed to when the Academy secures a Good judgement and can begin creating a locality MAT.

This is the strongest SLT the Academy has had since 2015, with a combination of strengths, maturity and skill sets. The SLT is no longer reactive, but roles have been assigned with every senior leader having a key position, a senior leader project and a link department.

There has been a rapid improvement in quality of teaching and learning which can be triangulated against the rapid improvement in outcomes. The Academy is in an incredibly strong position for the future with the expectation that P8 will soon be positive.

Once again there has been a purposeful staff turn-over throughout 2017-18 with RI teachers moving on, leaving 88% of remaining staff delivering good or better lessons.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Key financial performance indicators

The Academy monitors a range of key financial performance indicators including the payroll ratio, the Academy's surplus and teacher/pupil ratios.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review

Financial report for the year

Most of the Academy's income is obtained from the Education and Skills Funding Agency ("ESFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total expenditure of £5,176,000 (2017 - £5,571,000) was largely covered by recurrent grant funding from the ESFA together with other income. The excess of expenditure over income for the year (excluding the endowment fund and fixed asset fund and before actuarial adjustments relating to the Academy's share of the liabilities of the Bedfordshire Pension Fund) was £57,000 (2017 – surplus of income over expenditure £31,000).

At 31 August 2018, the net book value of fixed assets was £21,055,000 (2017 - £21,425,000) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Financial position

The Academy held fund balances at 31 August 2018 of £20,526,000 (2017 – £20,695,000) comprising a restricted fixed asset fund of £21,055,000 (2017 - £21,425,000), a pension reserve deficit of £1,046,000 (2017 - £1,304,000), an expendable endowment fund of £300,000 (2017 - £300,000) and £217,000 of unrestricted general funds (2017 - £274,000).

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. An identified financial risk to the school is that of managing its short-term cash flow effectively. To mitigate this risk, the Governors have determined that the appropriate level of free reserves would equate to one weeks' worth of expenditure, both in terms of salaries and general expenditure. In broad terms, this would equate to approximately £125,000. The Trust has met its required level of reserves, with free reserves of £217,000 at 31 August 2018 (2017: £274,000). The excess in-year costs which lead to a drop in the Academy's free reserves of £57,000 were authorised by the Leadership and Management Committee and were exceptional in nature. They relate to: £22,000 for the purchase of iPads for 70 staff and once class set, £20,000 for the relocation and refurbishment of the Sixth Form Common Room, £5,300 for a Senior Leadership review and £9,700 for a Health and Safety review and associated remedial actions. When these exceptional costs are disregarded, the Academy 'broke-even' operationally for the year.

Under the grant conditions now set out by the Education and Skills Funding Agency (ESFA), at the beginning of the academic year 2017/18, there were no restrictions on the level the Academy can hold of unspent General Annual Grant (GAG) from previous years. The Governors plan to be far-sighted regarding recruitment and will not naturally replace like for like as staff leave the Academy naturally.

The deficit of the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors.

Investment policy

The Academy aims to manage its cash balance reserves to provide day to day working capital necessary to cover its liabilities and commitments. In addition, the Academy aims to invest the endowment cash balances on short fixed term deposits, but ensuring the risk to these cash funds.

Objectives:

- ◆ to ensure adequate cash reserves are available to cover day to day operational needs;
- ◆ to ensure there is no risk of the capital value of any cash funds invested;
- ◆ to protect the capital value against inflation; and
- ◆ to optimise return on invested funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities and of teaching and the finances. The Governors have implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching and health and safety and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal finance controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

The Academy has undertaken further work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on its mission, the Governors 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 impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Governors will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by the Assistant Vice Principal for Finance and Operations, and more frequently where necessary. 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 using a consistent scoring system. The Audit and Risk Committee meet regularly to discuss risk.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

Government funding

The Academy has considerable reliance on continued government funding through the ESFA. In 2017/18 98% (2016/17 - 97%) of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There is or can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The risk is mitigated in a number of ways:

- ◆ funding is derived through a number of direct and indirect contractual arrangements;
- ◆ by ensuring the Academy is rigorous in delivering high quality education and training;
and
- ◆ considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102 (s28). This deficit relates to non-teaching staff who are members of the Bedfordshire Pension Fund. At 31 August 2018, the deficit amounted to £1,046,000 (2017 - £1,304,000).

The pension scheme liability is an ongoing liability which is not expected to crystallise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees. During the period, the Academy made contributions to the scheme of £158,000 (2017 - £160,000). The contributions are determined by the scheme's actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

FUNDRAISING

The academy does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the academy aims to protect personal data and to never sell data or swap data with other organisations. During 2018, the academy received no complaints about fundraising activities.

PLANS FOR FUTURE PERIODS

Outcomes

The Academy plans to build on the upward trajectory, established over the past three years, moving its Progress 8 score to at least 0 and then beyond that into positive figures so that it is deemed to be an 'above average' school in terms of performance.

It intends to make similar progress at 6th Form level so that its average grade is firmly establish as a C grade, at the same as encouraging more students not only to enter the 6th Form but also to secure places at high-ranking universities, including Oxbridge.

The Academy is expecting to receive a full Ofsted inspection in the next academic year, 2018-19, where it plans to secure a solid Good judgement, for all elements.

Teaching, Learning and Assessment

The Academy is aiming for 100% of teaching staff to contribute to good or better learning. With a secure Ofsted grading of Good anticipated, recruitment and retention of staff should be easier in terms of time and financial resourcing.

PLANS FOR FUTURE PERIODS (continued)

Leadership

Having restructured the Leadership team during 2017-18, there are no plans to make further significant changes during the next financial year although it is the stated intention of the governors that they wish to explore the possibilities of establishing a local MAT once the Academy achieves its Good rating from Ofsted.

The governors are looking at a support staff review during 2018-19 to bring this staffing cost centre in-line with the cuts to other staffing cost centres.

Sponsors

The Diocese of St Albans and University of Bedfordshire remain committed to supporting the Academy through the governance structure and also through professional support, especially in terms of teacher recruitment and maintaining the Christian Ethos.

AUDITOR

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Annual Report is approved by order of the Board of Governors and the Strategic Report (included therein) is approved by the Board of Governors in their capacity as the directors at a meeting on 12 December 2018 and signed on its behalf:

Governor

Date: 12 December 2018

Scope of responsibility

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

The Governing Body have delegated the day-to-day responsibility to the Principal, 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 All Saints Academy Dunstable and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
D Fraser	5	5
E Furber	5	5
J Fellows	3	5
P Hughes	4	5
A Spicer	4	4
B George	4	5
J Fern (resigned January 2018)	1	2
P Knight (appointed January 2018)	3	3
M Collins	5	5
S Hollis	4	5
A Perkins	4	5

Governance (continued)

The Leadership & Management Committee (previously Resources Committee) is a sub-committee of the main Governing Body. Its purpose is to provide guidance and assistance to the Principal and the Governing Body in all matters relating to budget and finance. It met 5 times during the year. Membership of Committee changed when it was changed from Resources to Leadership & Management. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
D Fraser	5	5
E Furber	5	5
B George	4	5
A Perkins	4	5

The Audit and Risk Committee as a sub-committee of the main Board of Trustees was subsumed into the Leadership and Management Committee.

Review of governance

The Academy reviews its governance arrangements on an annual basis, which includes a review of the committee structure, membership of committees and also the maintenance of appropriate relevant policies for the Academy trust.

Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during the academic year, and reports to the Governors where value for money can be improved, including the use on benchmarking data where available.

They set out below how they have ensured that the Academy's use of its resources has provided good value for money during the academic year.

Improving educational results for our students remains our key priority. The Academy has taken the following steps to support school improvement for our students and to raise their attainment and aspirations. The Academy is committed to supporting out students achieving their full potential through academic achievement, extra-curricular opportunities and extended learning to develop the whole person to help prepare them for higher education, further training or work.

Review of value for Money (continued)

Targeted improvement: The Academy has a robust tracking system for monitoring achievement and is continually looking at how data can inform staff in order for them to support and extend the learning of the students. We have employed skilled staff to support our school improvement agenda and we involve all our teams in focusing on the students' learning needs and encourage innovation and creativity to meet those needs.

Focus on individual students: The Academy offers students a comprehensive student support service and specialist learning provision. Students benefit from one to one mentoring, small group work, external educational provision, where appropriate, and our experienced teams work with students to support their individual needs. We have employed an Assistant Principal PP/SEND to monitor the achievement of Pupil Premium students.

The Academy rewards excellence and encourages positive behaviour. We celebrate achievement and encourage students to try new activities to develop their confidence and leadership skills.

Diverse curriculum: In each of Maths, English and Science classes are set in terms of ability. From Year 7 onwards students who need additional help in Literacy and Numeracy are provided with extra time. At Key Stage 4 all students follow a Core Curriculum of English, Maths, Science, R.E., History/Geography, MFL and Sport. Students have the choice of two pathways, where they can choose from a range of courses including Triple Science for the most able. Students are expected to choose the subjects they enjoy and in which they are likely to do best. In order to improve GCSE outputs students start their GCSE courses in Year 9.

For every course at KS4 there is a progression course at KS5. At KS5 students can follow a range of Level 2 and Level 3 courses appropriate to their needs.

Collaboration: The Academy works closely with the feeder primary schools. The headteachers of each school meet regularly to share ideas, good practice and discuss issues. The Academy supports the primary schools with ICT technical support and, where appropriate, group purchasing to achieve value for money for all.

Quantifying improvements: The Governors' Standards Committee meets four times a year to ensure that the Sponsors' Action Plan to raise attainment is adhered to.

Finance governance and oversight: The Academy's Governing Body has strong oversight of the financial management of the budget. The Leadership & Management Committee meet regularly to review the financial position, to receive reports and to challenge decisions. Our external auditors review our financial processes and we are now operating a peer review system with John Warner School to test our internal controls. The levels of delegation on spending proposals ensure we take the necessary steps to achieve best value.

The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and External Auditors Management Report.

Review of value for Money (continued)

Better purchasing: The Academy is a member of a group purchasing consortium which facilitates group purchases for a number of schools to achieve best value. Our Budget Holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other schools and economies of scale.

The Academy regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Fitness for purpose: The Academy has a cycle of review for its ongoing services from external organisations to ensure those services continue to meet the needs of the school, are the best available to us at that time, and offer good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

Better income generation: The Academy explores every opportunity to generate income through hire of Academy facilities.

Reviewing controls and managing risk: Monthly budget monitoring reports are produced by the School Business Manager. These reports are signed by the Principal and any remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Academy ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

The Endowment Fund provided by the Sponsors is managed by specialist advisors at Barclays Corporate Services.

Reviewing operation to maximise use of resources: The Academy Senior Leadership Team review expenditure and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer, and any new strategies identified in the Academy Development Plan.

Lessons learned: The Academy has reached the end of its sixth year of operation and we have come to learn the options open to us and the autonomy and flexibilities we have. Our continued curriculum development to support high student achievement remains our top priority. We will be focusing on how best to resource our Development Plan.

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 the Academy's 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 All Saints Academy Dunstable for the year ended 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body 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 Governing Body 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 ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The Academy's system of internal 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.

Audit and Risk

The Leadership & Management Committee (previously Resources Committee) is a Committee of the Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. It is authorised to request any information it requires from any employee, external audit, internal audit or other assurance providers.

The Leadership & Management Committee is authorised to obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or Chair of Governors.

Role of Leadership & Management Committee

The role of the Leadership & Management Committee is to maintain an oversight of the Academy's governance, risk management, internal control and value for money framework. It will report its findings to the Governing Body and the Accounting Officer as a critical element of the Academy's reporting requirements.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

Role of Leadership & Management Committee (continued)

During 2017/18, the external auditor carried out visits to provide additional assurance and support in specific areas as part of an interim arrangement. The assurance arrangements have been reviewed with a permanent arrangement established from 2018/19. The appointment of a permanent Business Manager from October 2018 has enabled All Saints Academy to establish a system of assurance checks formatted in the style of Responsible Officer reviews. Two informal initial visits have taken place at the time of the accounts being published with a formal schedule of visits being arranged on a half termly basis. The reports from which will be presented to the Governors.

Review of effectiveness

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

- ◆ the work of the external auditor;
- ◆ 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 on the implications of her review of the system of internal control by the Leadership & Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 12 December 2018 and signed on their behalf by:

(Governor)

(Principal and Accounting
Officer)

Approved on: 12 December 2018

Statement on regularity, propriety and compliance 31 August 2018

As accounting officer of All Saints Academy Dunstable, I have considered my responsibility to notify the Academy Trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. 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's governing body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

Principal and Accounting Officer

Date:

Statement of governors' responsibilities 31 August 2018

The Governors (who act as trustees for charitable activities of All Saints Academy Dunstable and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

Approved by order of the members of the governing body on 12 December 2018 and signed on its behalf by:

Governor

Independent auditor's report on the financial statements to the Members of All Saints Academy Dunstable

Opinion

We have audited the financial statements of All Saints Academy Dunstable (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

- ◆ the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the strategic report.

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hugh Swainson, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting auditor's assurance report on regularity to All Saints Academy Dunstable and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 June 2016 and further to the requirements of the Education and 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 All Saints Academy Dunstable during the period from 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 All Saints Academy Dunstable and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the All Saints Academy Dunstable 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 the All Saints Academy Dunstable and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of All Saints Academy Dunstable's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of All Saints Academy Dunstable's funding agreement with the Secretary of State for Education dated July 2014 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 period from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 period from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account)
Year to 31 August 2018

	Notes	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	Endowment fund £'000	2018 Total funds £'000	2017 Total funds £'000
Income from:							
Donations and capital grants	1	—	—	24	—	24	55
Charitable activities							
. Funding for the academy's educational operations	2	40	4,417	—	—	4,457	4,986
Other trading activities	3	56	—	—	—	56	42
Total		96	4,417	24	—	4,537	5,083
Expenditure on:							
Charitable activities							
. Academy's educational operations	5	153	4,635	388	—	5,176	5,571
Total	4	153	4,635	388	—	5,176	5,571
Net expenditure		(57)	(218)	(364)	—	(639)	(488)
Transfers between funds	14	—	6	(6)	—	—	—
Other recognised gains and losses							
Actuarial gains on defined benefit pension scheme	19	—	470	—	—	470	494
Net movement in funds		(57)	258	(370)	—	(169)	6
Reconciliation of funds							
Total fund balances brought forward at 1 September 2017		274	(1,304)	21,425	300	20,695	20,689
Total fund balances carried forward at 31 August 2018		217	(1,046)	21,055	300	20,526	20,695

All of the Academy's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible fixed assets	11		21,055		21,425
Current assets					
Debtors	12	148		94	
Cash at bank and in hand		548		645	
		696		739	
Liabilities					
Creditors: amounts falling due within one year	13	(179)		(165)	
Net current assets			517		574
Total assets less pension scheme liability					
			21,572		21,999
Pension scheme liability	19		(1,046)		(1,304)
Total net assets			20,526		20,695
Funds of the Academy					
Restricted funds					
. Fixed assets fund	14		21,055		21,425
. General fund	14		—		—
. Pension reserve	14		(1,046)		(1,304)
			20,009		20,121
Endowment funds	14		300		300
Unrestricted income funds					
General fund	14		217		274
Total funds			20,526		20,695

The financial statements on page 29 to 52 were approved by the governors, and authorised for issue on 12 December 2018 and are signed on their behalf by:

Governor

All Saints Academy Dunstable
 Company Limited by Guarantee
 Registration Number: 06853140 (England and Wales)

Statement of cash flows Year to 31 August 2018

	Note	2018 £'000	2017 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	(79)	40
Cash flows used in investing activities			
	B	(18)	—
Change in cash and cash equivalents in the year		(97)	40
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2017		645	605
Cash and cash equivalents at 31 August 2018	C	548	645

A Reconciliation of net expenditure to net cash (used in) provided by operating activities

	2018 £'000	2017 £'000
Net expenditure for the year (as per the statement of financial activities)	(639)	(488)
Adjusted for:		
Depreciation (note 11)	388	367
Donated fixed assets	—	(51)
Defined benefit pension scheme cost less contributions payable (note 19)	177	168
Defined benefit pension scheme finance cost (note 19)	35	35
(Increase)/decrease in debtors	(54)	8
Increase in creditors	14	1
Net cash (used in) provided by operating activities	(79)	40

B Cash flows from investing activities

	2018 £'000	2017 £'000
Purchase of tangible fixed assets (note 11)	(18)	—
Net cash used in investing activities	(18)	—

C Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Total cash and cash equivalents	548	645

Statement of accounting policies

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

Basis of preparation

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

The financial statements are presented in sterling and rounded to the nearest thousand pounds.

Going concern

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

Income

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

Grants

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

Income (continued)

Grants (continued)

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

Capital grants are recognised 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

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

Donated goods, facilities and services

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

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.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Leasehold land	125 years straight-line
◆ Leasehold buildings	50 year straight-line
◆ Fixtures, fittings and equipment	4 to 5 years straight-line
◆ IT equipment	3 years straight-line

Depreciation is charged from the month of acquisition.

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

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

Liabilities

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

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 12. 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 cost as detailed in notes 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted income funds comprise all other grants received from the Education and Skills Funding Agency/Department for Education and the Local Authority.

Endowment funds represent amounts donated where the capital must be retained.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements Year to 31 August 2018

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2018 Total funds £'000	2017 Total funds £'000
Capital grants	—	24	24	—
Donated fixed assets	—	—	—	51
Other donations	—	—	—	4
2018 Total funds	—	24	24	55

2 Funding for the academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
DfE / ESFA revenue grants				
. General Annual Grant (GAG)	—	4,066	4,066	4,576
. Start Up grants	—	—	—	4
. Other DfE / ESFA	—	288	288	324
	—	4,354	4,354	4,904
Other government grants				
. Local authority grants	—	63	63	57
	—	63	63	57
Other income from the academy's educational operations	40	—	40	25
2018 Total funds	40	4,417	4,457	4,986

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Hire of facilities	26	—	26	29
Trip income	30	—	30	13
2018 Total funds	56	—	56	42

4 Expenditure

	Staff costs £'000	Non pay expenditure		2018 Total funds £'000	2017 Total funds £'000
		Premises £'000	Other costs £'000		
Charitable activities					
. Academy's educational operations					
.. Direct costs	2,989	388	687	4,064	4,321
.. Allocated support costs	549	407	156	1,112	1,250
2018 Total funds	3,538	795	843	5,176	5,571

	2018 £'000	2017 £'000
Net expenditure for the year includes:		
Operating leases	22	19
Depreciation	388	367
Fees payable to auditor		
. Statutory audit	9	9
. Other services	8	5

5 Charitable activities - academy's educational operations

	2018 Total funds £'000	2017 Total funds £'000
Direct costs	4,064	4,321
Support costs	1,112	1,250
	5,176	5,571

	2018 Total funds £'000	2017 Total funds £'000
Analysis of support costs		
Support staff costs	372	441
Technology costs	12	22
Premises costs	407	407
Other support costs	292	345
Governance costs	29	35
Total support costs	1,112	1,250

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted funds		2017 Total funds £'000	
			General £'000	Fixed assets fund £'000		Endowment fund £'000
Income from:						
Donations and capital grants	1	4	—	51	—	55
Charitable activities						
. Funding for the academy's educational operations	2	25	4,961	—	—	4,986
Other trading activities	3	42	—	—	—	42
Investments	4	—	—	—	—	—
Total		71	4,961	51	—	5,083
Expenditure on:						
Charitable activities						
. Academy's educational operations	6	40	5,164	367	—	5,571
Total	5	40	5,164	367	—	5,571
Net income (expenditure)		31	(203)	(316)	—	(488)
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	19	—	494	—	—	494
Net movement in funds		31	291	(316)	—	6
Reconciliation of funds						
Total fund balances brought forward at 1 September 2016		243	(1,595)	21,741	300	20,689
Total fund balances carried forward at 31 August 2017		274	(1,304)	21,425	300	20,695

7 Staff

(a) Staff costs

Staff costs during the year were:

	2018 Total funds £'000	2017 Total funds £'000
Wages and salaries	2,571	2,809
Social security costs	273	268
Pension costs	608	591
	3,452	3,668
Supply teacher costs	86	147
Staff restructuring costs	—	17
	3,538	3,832

	2018 £'000	2017 £'000
Staff restructuring costs comprise:		
Severance payments	—	13
Redundancy	—	4
	—	17

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year was as follows:

Charitable activities	2018 Number	2017 Number
Teachers	46	45
Administration and support	45	54
Management	8	9
	99	108

(c) Non statutory/non-contractual staff severance payments

No non-statutory/non-contractual severance were paid in the year (2017 – one non-statutory/non-contractual severance payment for £12,900).

(d) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2018 No	2017 No
£60,001 - £70,000	1	2
£80,001 - £90,000	—	1
£90,001 - £100,000	1	—

8 Staff (continued)

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees (which includes the Accounting Officer and Staff Governor) and the Vice Principals as detailed on page 1. The total amount of employee benefits (including employer pension and NI contributions) received by key management personnel for their services to the academy trust was £307,735 (2017 - £337,036).

9 Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of the Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

	2018 £	2017 £
E Furber, Headteacher		
. Remuneration	90,000 – 95,000	85,000 – 90,000
. Employer's pension contributions	15,000 – 20,000	10,000 – 15,000
A Spicer, staff governor		
. Remuneration	35,000 – 40,000	35,000 – 40,000
. Employer's pension contributions	5,000 – 10,000	5,000 – 10,000

During the year ended 31 August 2018 there was £681 worth of travel and subsistence expenses reimbursed to three governors (2017 – £338 to two governors).

Other related party transactions involving the governors are set out in note 20.

10 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim. It is not possible to separately identify the portion of the overall insurance premium attributable to the indemnity policy.

11 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
Cost/valuation				
At 1 September 2017	22,436	255	646	23,337
Additions	—	—	18	18
At 31 August 2018	<u>22,436</u>	<u>255</u>	<u>664</u>	23,355
Depreciation				
At 1 September 2017	1,132	158	622	1,912
Charge in year	353	20	15	388
At 31 August 2018	<u>1,485</u>	<u>178</u>	<u>637</u>	2,300
Net book value				
At 31 August 2018	<u>20,951</u>	<u>77</u>	<u>27</u>	21,055
At 31 August 2017	<u>21,304</u>	<u>97</u>	<u>24</u>	21,425

12 Debtors

	2018 £'000	2017 £'000
Trade debtors	6	3
VAT recoverable	26	54
Prepayments and accrued income	116	37
	<u>148</u>	<u>94</u>

13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	63	50
Taxation and social security	69	—
Accruals and deferred income	47	115
	<u>179</u>	<u>165</u>
Deferred income		
Deferred Income at 1 September 2017	(19)	—
Resources deferred in the year	11	19
Deferred Income at 31 August 2018	<u>11</u>	<u>19</u>

Deferred income relates to deferred devolved formula capital grant income, trip income and Duke of Edinburgh income.

14 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
ESFA revenue grant fund					
. General Annual Grant (GAG)	—	4,066	(4,072)	6	—
. Pupil premium	—	222	(222)	—	—
. Other grants	—	66	(66)	—	—
. Local authority grants	—	63	(63)	—	—
. Pension reserve	(1,304)	—	(212)	470	(1,046)
	<u>(1,304)</u>	<u>4,417</u>	<u>(4,635)</u>	<u>476</u>	<u>(1,046)</u>
Fixed assets fund					
. Transfer on conversion	21,182	—	(353)	—	20,829
. ESFA capital grants	209	24	(15)	(6)	212
. Capital grants from Local Authority	34	—	(20)	—	14
	<u>21,425</u>	<u>24</u>	<u>(388)</u>	<u>(6)</u>	<u>21,055</u>
Total restricted funds	<u>20,121</u>	<u>4,441</u>	<u>(5,023)</u>	<u>470</u>	<u>20,009</u>
Endowment	300	—	—	—	300
Unrestricted funds					
. General funds	274	96	(153)	—	217
Total unrestricted funds	<u>274</u>	<u>96</u>	<u>(153)</u>	<u>—</u>	<u>217</u>
Total funds	<u>20,695</u>	<u>4,537</u>	<u>(5,176)</u>	<u>470</u>	<u>20,526</u>

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

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

Fixed asset fund

These grants relate to the funding received from the DfE, ESFA and the Local Authority to carry out works of a capital nature.

Endowment fund

All Saints is sponsored by the Diocese of St Albans who contributed £300,000 towards an endowment fund. This was initially established as a permanent endowment. In May 2018 the Academy was granted permission from the donor and the Charity Commission for the fund to be expended, in particular on capital work needed for the Reflection Centre. Hence the amount is now an expendable endowment.

14 Funds (continued)

Comparative information

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
ESFA revenue grant fund					
. General Annual Grant (GAG)	—	4,576	(4,576)	—	—
. Start Up Grant	—	4	(4)	—	—
. Pupil premium	—	270	(270)	—	—
. Other grants	—	54	(54)	—	—
. Local authority grants	—	57	(57)	—	—
. Pension reserve	(1,595)	—	(203)	494	(1,304)
	(1,595)	4,961	(5,164)	494	(1,304)
Fixed assets fund					
. Transfer on conversion	21,513	—	(331)	—	21,182
. ESFA capital grants	185	51	(27)	—	209
. Capital grants from Local Authority	43	—	(9)	—	34
	21,741	51	(367)	—	21,425
Endowment	300	—	—	—	300
Total restricted funds	20,446	5,012	(5,531)	494	20,421
Unrestricted funds					
. General funds	243	71	40	—	274
Total unrestricted funds	243	71	40	—	274
Total funds	20,689	5,083	(5,571)	494	20,695

14 Funds (continued)

Comparative information (continued)

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
ESFA revenue grant fund					
. General Annual Grant (GAG)	—	8,642	(8,648)	6	—
. Start Up Grant	—	4	(4)	—	—
. Pupil premium	—	492	(492)	—	—
. Other grants	—	120	(120)	—	—
. Local authority grants	—	120	(120)	—	—
. Pension reserve	(1,595)	—	(415)	964	(1,046)
	(1,595)	9,378	(9,799)	970	(1,046)
Fixed assets fund					
. Transfer on conversion	21,513	—	(684)	—	20,829
. ESFA capital grants	185	75	(42)	(6)	212
. Capital grants from Local Authority	43	—	(29)	—	14
	21,741	75	(755)	(6)	21,055
Total restricted funds	20,146	9,453	(10,554)	964	20,009
Endowment	300	—	—	—	300
Unrestricted funds					
. General funds	243	167	(193)	—	217
Total unrestricted funds	243	167	(193)	—	217
Total funds	20,689	9,620	(10,747)	964	20,526

15 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted Funds £'000	Restricted Fixed Asset Fund £'000	Endowment Fund £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	—	—	21,055	—	21,055
Current assets	224	146	—	300	670
Current liabilities	(71)	(146)	—	—	(217)
Pension scheme liability	—	(1,046)	—	—	(1,046)
Total net assets	153	(1,046)	21,055	300	20,462

16 Capital commitments

There were no capital commitments as at 31 August 2018 (2017 – none).

17 Commitments under operating leases

Operating leases

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

	2018	2017
	£'000	£'000
Amounts due within one year	73	22
Amounts due between two and five years inclusive	132	15
	205	37

18 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.

19 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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)

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- ◆ 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £273,000 (2017 - £272,000).

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

Under the definitions set out in FRS 102, the TPS is a 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 (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £208,000 (2017: £212,000), of which employer's contributions totalled £158,000 (2017: £160,000) and employees' contributions totalled £50,000 (2017: £52,000). The agreed contributions rate for 2018/19 are between 14.0% and 18.0% for employers.

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	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment / inflation	2.3%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.4 years	22.4 years
Females	24.5 years	24.5 years
<i>Retiring in 20 years</i>		
Males	24.0 years	24.0 years
Females	26.2 years	26.2 years

The required sensitivity analysis showing the effect on the net liability for changes in actuarial assumptions is as follows:

	At 31 August 2018 £'000
Discount rate -0.5%	511
0.5% increase in salary increase rate	78
0.5% increase in the pension increase rate	428

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	1,591	1,388
Corporate bonds	384	365
Property	247	219
Cash and other liquid assets	521	463
Total market value of assets	2,743	2,435
Present value of scheme liabilities		
. Funded	(3,789)	(3,739)
Deficit in the scheme	(1,046)	(1,304)

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2018 £'000	2017 £'000
Current service cost	335	349
Net interest cost	35	35
Total amount recognised in the SOFA	370	384

Changes in the present value of defined benefit obligations were as follows:	2018 £'000	2017 £'000
At 1 September 2017	3,739	3,742
Current service cost	335	328
Interest cost	98	82
Employee contributions	50	52
Actuarial (gain)/loss	(404)	(437)
Benefits paid	(29)	(28)
At 31 August 2018	3,789	3,739

Changes in the fair value of the Academy's share of scheme assets:	2018 £'000	2017 £'000
At 1 September 2017	2,435	2,147
Interest income	63	47
Actuarial gain	66	57
Employer contributions	158	160
Employee contributions	50	52
Benefits paid	(29)	(28)
At 31 August 2018	2,743	2,435

20 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations, the requirement of the Academies Financial Handbook and normal procurement procedures.

20 Related party transactions (continued)

The following related party transactions took place in the period of account:

Academy of Central Bedfordshire – an entity for which the CEO and Headteacher Liz Furber is also a director. Costs of £45,517 were incurred by the academy in relation to the education provision for a small number of pupils in the year ended 31 August 2018. There was a £nil balance due to the Academy of Central Bedfordshire at 31 August 2018. A statement of assurance has been received confirming that services were provided at cost.

Diocese of St Albans – an entity which is a member of the Academy. Income of £940 was charged in respect of room hire.

Young Enterprise – an entity for which two of the Academy's trustees are directors. Income of £1,302 was charged in respect of room hire.

21 Agency arrangements

The academy trust administers the disbursement of discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £9,330 (2017 - £9,330) and disbursed £3,280 (2017 - £4,570).