

LANESEND PRIMARY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

LANESEND PRIMARY

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LANESEND PRIMARY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Ian Carrington, Chair¹
Laura Augustus, Vice-Chair
Joanna Hunter
James Hall¹ (resigned 1st November 2023)
Tara Hopkinson, Staff trustee
Caroline Sice, Headteacher & Accounting Officer¹ (resigned 31 August 2023)

Sue Pilsworth
Kate Smyth (resigned 19 September 2023)
Andrea Flux, Staff trustee (resigned 2nd October 2022)
Irina Rowan (appointed 12th October 2022)¹
Sallie Boulter (appointed 3rd November 2022)
Victoria Sutton (appointed 12th September 2023)

¹ Money Group September 2022 – July 2023

Members

Eric Hemming
Scott Raven
Gillian Bilbo
Bryan Hurley
Jeremy Robinson

Senior Leadership Team

Chief Executive Officer and Headteacher	Caroline Sice (until 31.08.23) Victoria Sutton (From 01.09.23)
Assistant Headteachers	Nicola Napier Tara Hopkinson Graham Andre

Company Secretary

Angela Cordon

Company registration number

09154494 (England and Wales)

Registered office

Lanesend Primary
Love Lane
Isle of Wight
PO31 7ES

Independent auditor

Baxter & Co
Lynwood House
2-4 Crofton Road
Orpington
BR6 8QE

Bankers

Lloyds Bank,
22 St Thomas' Square,
Newport,
Isle of Wight,
PO30 1SQ

Solicitors

Paris Smith,
1 London Road,
Southampton,
Hampshire,
SO15 2AE

LANESEND PRIMARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Cowes. It has a pupil capacity of 420 and had a roll of 445 in the school census on January 2023.

Structure, governance and management

Constitution

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

The Trustees of Lanesend Primary are also the directors of the charitable company for the purpose of company law. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

No indemnities or guarantees have been provided to third parties by the charitable company in respect of any of its Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles of association, the Trustees of the charitable company are appointed as follows:

- Up to 10 Trustees appointed by the Members
- A minimum of 2 Parent Trustees appointed by parents
- Co-opted trustees as required by the board
- Providing the Headteacher agrees so to act, the Members may appoint the Headteacher as a Trustee.

Trustees serve for four years and are eligible for re-election.

Policies and procedures adopted for the induction and training of Trustees

All new Trustees complete in-house induction training. Each new Trustee is paired with an experienced Trustee who will provide additional support. All Trustees are provided with access to policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees. All Trustees are invited to external and in-house training throughout the year. We also provide access to the Hampshire Trustee Portal for all trustees and the school subscribes to Hampshire Trustee Services along with access to GovernorHub and membership of NGA.

Organisational structure

The Board of Trustees, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least three times a year and has a number of sub-committees:

- Money Group (MCG)
- Teaching and Learning Group (TLG)
- Child-centred Group (CCG)

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FOR THE YEAR ENDED 31 AUGUST 2023

Each committee is formally constituted with terms of reference and comprises appropriately qualified and experienced members. The Trust Board delegates specific responsibilities to its committees, the activities of which are reported to and discussed at full Board of Trustee meetings. Trustees review the number and role of committees on a regular basis.

The Senior Leadership Team consists of the Head Teacher and three Assistant Headteachers. These leaders control the Academy at executive level implementing the policies laid down by the Trustees, regularly reporting back to them. The Head Teacher is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets and the appointment of staff, although the appointment of senior leader posts is referred to Trustees. The school Finance Manager is the Chief Financial Officer

Curriculum co-ordinators are responsible for learning areas within the curriculum, in particular organising and reviewing the essential knowledge, understanding and skills that primary age children need in order to make progress and fulfil their potential.

The Trust has no subsidiaries.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management is determined under the Performance Management Policy. The Headteacher's pay is determined by a performance management panel which is made up of 3 trustees and an independent consultant (who acts as an advisor to the panel). The panel decides the Headteacher's pay and is put forward for ratification to the Money Group who have been delegated powers by the Full Board of trustees. All other staff are invited to a Performance Management review against targets set and overall school performance. The Headteacher will present the evidence from these meetings to the Money Group at a Performance Management and Pay review meeting. The members of the Money Group will then decide pay changes for staff. These decisions have been delegated to the Money Group by the Full Board of trustees.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£2,363k
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

Lanesend Primary is a standalone academy without any organisational connections to other schools, charities or companies.

LANESEND PRIMARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

Objects and aims

The company was set up on the 1 September 2014. The principal objective and activity of the Charitable Company is the operation of Lanesend Primary School. Our school ethos is to embed a love of learning; we want our children to foster a lifelong love of learning and truly believe that every member of staff within our team are responsible for supporting the children in this goal. For this to be achieved:

- Children should feel safe and secure in a caring and stimulating environment
- Have access to the whole curriculum and more
- The personal wellbeing and all-round development of our children is given high priority
- ICT use to support children's learning and access to the curriculum
- Opportunities to help them engage in their learning and play
- A highly skilled and dedicated team
- Standout teaching and learning
- An outward looking school
- Strong parental partnerships
- Strategic vision and development from Members and Trustees through clear communication and insight into the school's strengths and development areas
- We do what needs to be done for all children

Visions and Ethos

- Love Learning – Our Teachers Love Teaching and Teach our Children to Love Learning.
- We do what needs to be done for every child.
- Growing successful adults through opportunities to experience diverse aspects of learning and life.
- An Island school with boundless opportunities.
- Curriculum innovation for the twenty-first century.
- Inspiring a love of learning through positive choices
- Team Lanesend supporting each other always.

Objectives, strategies and activities

Our objectives for the year ended 2022/ 2023 were as follows:

1. Reading
2. Curriculum
3. Accountability
4. SEND

Public benefit

Every activity that Lanesend Primary engages in is always for the sole purpose of benefiting the children and enhancing the academy's reputation for delivering outstanding learning and extra-curricular experiences for all our children.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

LANESEND PRIMARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievements and performance

Include information that enables the reader to understand and assess the achievements of the academy trust in the year, measured by reference to the aims and objectives that have been set, including a summary of the indicators, milestones and benchmarks used to assess achievements.

Performance against targets and objectives:

Reading

All staff completed Little Wandle training for 3 compulsory modules and additional training was completed by all teaching staff and further specific Rapid Catch Up and SEND training was completed for identified staff. Regular monitoring of phonics takes place as well as optional drop-in sessions and targeted coaching sessions for identified staff.

Only Little Wandle Alphabet friezes and sound mats are used in class from Reception to Year 6.

Little Wandle resources have been purchased and allocated to staff based on the programme they are teaching and additional resources to supplement have been purchased when required.

Funding has been secured for the purchase of Collins Big Cat decodable reading books to match the Little Wandle programme. The phonics lead has created packs of resource word cards and crib sheets to go alongside these books.

Reading books from other schemes have all been reorganised and matched to Little Wandle wherever possible.

The phonics lead organises, implements and reviews assessment every 6 weeks for all year groups and programmes.

Curriculum

We researched a wide variety of different curriculum options and compared the resources as well as the cost but purchase of a scheme was delayed until 2023/24 due to the change of leadership.

Curriculum teams reviewed skills and knowledge progression during subject leader time and used this to monitor and support year teams. This was all sequenced across the school to support whole school progression.

The curriculum teams have met regularly with the staff and Trustees to feedback information and progress within their curriculum areas.

FLiC continued to support assessment of the curriculum and pupil progress meetings were scheduled throughout the year.

Links with universities continue and a wide variety of clubs were in place, both physical and mental, including ballet and swimming.

Accountability

Securing Skills LSAs x4 in place to support children identified at risk in phonics, reading and maths use targeted funding. Gaps were identified via screening tests and support put in place. This was monitored and groups were adapted based on the outcomes of the intervention. Additional training has been put in place to support for both reading and maths.

Phonic outcomes at the end of Year 1 have risen to national. This reflects the investment in Little Wandle. MTC was also in line with national. This reflects the investment in TTRS.

Regular updates via newsletter and E-safety assemblies to support improving knowledge in this area.

Attendance continues to be monitored closely as supported by the FLO. Families whose attendance drops are called in for meetings and reviews.

SEND

There are displays which are representative of non-typical stereotyping across the school.

PPMs have been in place throughout the year and actions have been followed. All tests have been administered for children identified as requiring either non verbal, verbal reasoning or Dyslexia Portfolios and timetables reflect the identified provision in EHCPs to ensure compliance.

LSA grouping is flexible to ensure that it meets children's needs whilst maintaining cost effectiveness.

Many funding requests have been made after Annual Review, the majority of which have been successful and the local offer policy updated annually and uploaded to website to ensure compliance.

Personal plans are frequently audited to ensure they are relevant.

Checks are in place for SIMs and Edukey to show it is being used correctly and this is reported to CCG half termly.

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FOR THE YEAR ENDED 31 AUGUST 2023

This needs to continue as an action point for 2023/24.

Autism training took place which was fully funded and can be used to support both LSAs and support staff. The TAC team set up a Class Dojo for communication and the team continues to be a strong team which supports the pastoral wellbeing of all children in school.

SENCO monitoring audited how staff have supported children from the planning stage through to assessment and bespoke training is in place for specialist staff. There are also SEND drop-in sessions in place for LSAs. PEACH accreditation ongoing and part of action plan for 2024.

All MAYBO incidents are recorded in line with MAYBO approved methods. Train the trainer staff on site (2)

Attendance is monitored weekly and reported to trustees at CCG.

Hand over meeting with nurseries attended. 1 parental EHCP request from nursery was supported by Lanesend.

Key Financial Performance Indicators

Teaching staff spend (% of total expenditure) in 22/23 is 44.5%.

Pupil teacher ratio (range 22-24) 21/22 18.2 in 22/23 21.2 – we aim to be below the range due to the needs of our children and consciously deciding to have small classes for the benefit of learning and the workload of our staff.

Leadership costs are 18% of total teaching staff costs, 8% of total expenditure or 10% of the workforce

Key Performance Indicators

EYFS children with a good level of development is in line with national:

Lanesend	Isle of Wight	National
67.3%	69.8%	67.2%

Y1 Phonics is above national:

Lanesend	Isle of Wight	National
80.7%	74.8%	78.9%

SAT Performance Data:

	KS2 Progress	KS2 Attainment	KS1 Attainment
Reading	Below national: -0.93	63.9% (National 72.7%)	43.8% (National 68.3%)
Writing	Below national: -1.53	54.2% (National 71.6%)	31.3% (National 60.1%)
Maths	Below national: -2.18	52.8% (National 70%)	43.8% (National 70.4%)
Combined		41.7% (National 59.5%)	

Attendance for the year 2022/23 was 94.9%

Going concern

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

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2023 £'000	2022 £'000
GAG	Restricted General Funds	-	-
Other DfE/ESFA Grants	Restricted General Funds	-	-
Other Government Grants	Restricted General Funds	-	-
Other restricted funds	Restricted General Funds	-	-
	Sub-total – General Restricted Funds	-	-
Unspent Capital Grants	Restricted Fixed Asset Fund	35	8
Other Income	Unrestricted General Fund	97	178
	Sub-Total – Spendable Funds	132	186
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	1,955	2,031
Share of LGPS Deficit	Restricted Pension Reserve	-	(47)
	Total – All Funds	<u>2,087</u>	<u>2,170</u>

During the year under review there was no change (2022: no changes) on general restricted funds, a decrease of £81k (2022: increase of £23k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall decrease of £83k (2022: increase of £2,170k) on total funds.

Reports to MCG continued to be carried out monthly with information being presented with the use of cash flow, bank accounts, accruals, debts and debtors.

During last financial year, the school's financial performance was impacted by the cyber-attack, ongoing costs from COVID-19, higher than planned pay rises, end of energy contracts and increased energy costs, and the rising rate of inflation alongside a falling birth rate. Moving forward, these factors will continue to affect the financial performance

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

of the school as well as a recent Ofsted inspection that has graded the school as RI. The school continues to be impacted by high numbers of EHCPs that are underfunded both nationally and by the local authority. This extremely high level of EHCPs alongside a higher-than-average SEND population puts pressure on the budget and will continue to do so as we move forward as the school. The Isle of Wight and national statistics continue to show a rise in SEND and EHCP provision. We are currently having to secure legal advice regarding our SEND finances.

The school continued with a legal battle in a complaint against the local authority regarding SEND finances, which has reduced our surplus this year. As an organisation, we continued to scrutinise the financial situation of the school through monitoring at monthly Trustee 'Money Group' meeting which consisted of strong and experienced trustees. The 'Risk Register', our financial management and the procurement of additional financial support through SAAF, has supported the rebuild of our financial management throughout the year.

Reserves policy

The Academy Trust Board reviews the level of reserves annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. Our aim is to use the allocated funding each year for the full benefit of the children currently attending the school. However, we do budget a small amount each year for unforeseen circumstances, to support planned projects to benefit the future development plans of the school and the upkeep of the building. The Trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academy Trust Handbook (also known as Academies Financial Handbook) produced by the Education and Skills Funding Agency.

Investment policy

Our funds are held in 2 bank accounts with Lloyds Bank and accrue interest. We currently do not invest in any investment activities which could pose a risk. Any investments are made with regard to the Charity Commission guidance in relation to investments.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to academic performance, finances, child welfare, and admissions. The Trustees have implemented a number of systems to assess risks that the Trust faces and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company continues to be the ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, aims to mitigate the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

A significant risk was identified last year when our IT provider was hit by a cyber-attack which in turn meant we lost all our systems and data. The risk register was used to identify the risk and build an action plan to deal with the situation.

- Energy costs continue to be high;
- Teacher pay rise was only partly funded;
- NNF figures were adjusted causing decreased funding;
- Huge rising inflation impacts the cost of resources.

LANESEND PRIMARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

- Continued significant underfunding of SEND provision.
- Falling birth rates national and locally.

Our fundraising practices

The trust organises fundraising events and appeals and co-ordinate activities in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice).

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from school money form.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and UK law.

Streamlined energy and carbon reporting (SECR)

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for the future

The school plans to join DCAT, a MAT, in January 2024. The Trustees will continue working with the learners, staff and families of the school, to ensure provision in the local area is good. We are committed to improving the educational and wellbeing outcomes for all our children, ensuring positive futures with a focus on all children being readers.

The School Improvement Plan has been developed in response to the target areas identified by the recent Ofsted inspection in September 2022 and the strategic needs of the school. The key improvement priorities for 2023-24 are as follows:

1. **Reading:** To ensure that phonics is taught consistently across the school with fidelity to the scheme and to ensure that outcomes in reading improve across the school.
2. **Curriculum:** To establish a progressive, sequential curriculum across the school with core knowledge and vocabulary identified and which is implemented as intended.
3. **Behaviour:** To embed consistently high expectations of behaviour for all children, implementing appropriate plans of support where appropriate.
4. **SEND:** To ensure that provision for SEND is appropriate and targeted and that children with identified SEND make good progress.
5. **Communication:** To ensure that communication within school and with the community is clear, concise and accurate.

Funds held as custodian trustee

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

LANESEND PRIMARY

TRUSTEES' REPORT

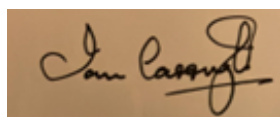
FOR THE YEAR ENDED 31 AUGUST 2023

Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 13 December 2023 and signed on the Board's behalf by:

A handwritten signature in black ink on a light brown rectangular background. The signature appears to be 'I Carrington' written in a cursive, flowing style.

.....
I Carrington

Chair of Trustees

LANESEND PRIMARY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Ian Carrington	8	8
Laura Augustus	8	8
Irina Rowan (Appointed 12 th October 2022)	6	7
Andrea Flux (Term ended 1 st October 2022)	0	1
James Hall	7	8
Tara Hopkinson	6	7
Jo Hunter	7	8
Sallie Boulter (Appointed 3 rd November 2022)	5	6
Sue Pilsworth	5	8
Kate Smyth	5	8
Caroline Sice	6	7

Emma Norton, Finance Lead at a local charity and prior convenor of Money Group, left the board in the previous financial year. Irina Rowan, Finance Business Partner at the LA, has joined the board and Money Group and has been a strong addition, filling the skills gap in finance.

Conflict of interest

An up-to-date and complete register of interest is maintained via GovernorHub. Trustees and Members are reminded to declare and confirm all interests on an annual basis at the start of each academic year. New trustees are instructed to complete their declarations when joining the governing body. An opportunity is given at the start of every meeting to declare any interest in an agenda item or any new interest that has arisen since the last annual declaration. These declarations are displayed on the school website.

Governance reviews

The Board of Trustees underwent an external review of governance in November 2022. The NLG met with the headteacher, Chair of Trustees, Clerk and a number of other trustees. A report and action plan were produced and a progress review in March 2023 showed good progress had been made against the action plan. Actions undertaken included:

- A policy review schedule has been agreed by the board as in place for September 2023
- Advice given on decision-making criteria for joining a MAT used in the process
- Accounts being shared with the Chair of Trustees monthly following significant work to the finance system following the cyber attack
- Clerk's annual appraisal introduced and objectives set
- 'Annual Conversation' introduced to allow each trustee to meet with the Chair or Vice-Chair to discuss contribution to the board and any training needs

LANESEND PRIMARY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

The Money and Commissioning Group is a committee to which the main Board of Trustees has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget
- Review the reports of the auditors on the effectiveness of the financial procedures and controls
- Fulfil the role of an Audit Committee

Attendance during the year at meetings of the Money and Commissioning Group was as follows:

Trustees	Meetings attended	Out of possible
James Hall (Covnenor)	9	9
Ian Carrington	9	9
Caroline Sice (Headteacher)	9	9
Irina Rowan	5	7

Review of Value for Money

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

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

- Talk 4 Writing training has continued;
- Phonics training and the purchase of phonics resources.

Lanesend is effective in its deployment of resources because:

- Personal development is strong for pupils
- The school environment continues to be maintained to a high level.
- Staff professional development is strong and wideranging eg Greg Bottrell.
- Cultural diversity and heritage understanding continues to be strong

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lanesend Primary for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

LANESEND PRIMARY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

The risk and control framework

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

In particular it includes:

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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed Irina Rowan, a Trustee, to carry out a program of internal checks.

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

- Scrutiny of Lanesend budget control processes;
- Review of key risks facing the academy (how managed and progress on actions agreed – discussed at every MCG meeting)
- Review of 2022-23 Annual Report & Financial Statements;
- Review of KPI's and resource allocation
- Annual review and scrutiny of Lanesend Financial Policies;
- 2022-23 Internal audit
- Annual report to the Trustees
- Continued review of software system to ensure robustness, including support and advice

Testing included:

- Procurement
- Month End
- Budget control
- Key Risks Review

On an annual basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The planned schedule of works was completed, and no material control issues arose.

LANESEND PRIMARY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

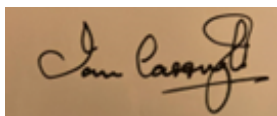
Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- The SRMA which was carried out the previous financial year.

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



I Carrington
Chair of Trustees



V Sutton
Accounting Officer

LANESEND PRIMARY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2023*

As accounting officer of Lanesend Primary, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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.



V Sutton
Accounting Officer

13 December 2023

LANESEND PRIMARY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Lanesend Primary for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2022 to 2023 published 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 Trustees to prepare Financial Statements for each financial year. Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these Financial Statements, the Trustees are required to:

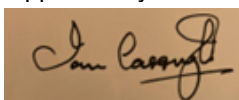
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



I Carrington

Chair of Trustees

LANESEND PRIMARY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANESEND PRIMARY FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the Financial Statements of Lanesend Primary for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the Financial Statements, including 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), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The company is expected to cease operations during the academic year 2023/24 by transferring all its operations, activities, assets and liabilities to Diocese of Chichester Academy Trust (DCAT) on 1 February 2024. This will cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue as the objective is to dissolve the company as soon as all the filing requirements have been met for these financial statements. Our opinion is not modified in respect of this matter as the accounts have not been prepared on a going concern basis.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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.

LANESEND PRIMARY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANESEND PRIMARY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

LANESEND PRIMARY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANESEND PRIMARY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Louise Hallsworth FCA (Senior Statutory Auditor)
for and on behalf of Baxter & Co

21 December 2023
.....

Chartered Certified Accountants
Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

LANESEND PRIMARY

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

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 18 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lanesend Primary during the period 1 September 2022 to 31 August 2023 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 Lanesend Primary and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Lanesend Primary and 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 Lanesend Primary and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Lanesend Primary's funding agreement with the Secretary of State for Education dated 1 September 2014 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 1 September 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2022, issued by the ESFA.

LANESEND PRIMARY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LANESEND PRIMARY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baxter & Co.

Reporting Accountant

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: ...21 December 2023

LANESEND PRIMARY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	6	-	28	34	36
Charitable activities:						
- Funding for educational operations	4	90	2,548	-	2,638	2,557
Other trading activities	5	141	-	-	141	114
Total		<u>237</u>	<u>2,548</u>	<u>28</u>	<u>2,813</u>	<u>2,707</u>
Expenditure on:						
Raising funds	6	17	-	-	17	10
Charitable activities:						
- Educational operations	7	301	2,578	77	2,956	3,027
Total	6	<u>318</u>	<u>2,578</u>	<u>77</u>	<u>2,973</u>	<u>3,037</u>
Net expenditure		(81)	(30)	(49)	(160)	(330)
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	77	-	77	1,956
Net movement in funds		(81)	47	(49)	(83)	1,626
Reconciliation of funds						
Total funds brought forward		178	(47)	2,039	2,170	544
Total funds carried forward		<u>97</u>	<u>-</u>	<u>1,990</u>	<u>2,087</u>	<u>2,170</u>

LANESEND PRIMARY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2022 £'000
Income and endowments from:					
Donations and capital grants	3	15	-	21	36
Charitable activities:					
- Funding for educational operations	4	81	2,476	-	2,557
Other trading activities	5	114	-	-	114
Total		<u>210</u>	<u>2,476</u>	<u>21</u>	<u>2,707</u>
Expenditure on:					
Raising funds	6	10	-	-	10
Charitable activities:					
- Educational operations	7	177	2,771	79	3,027
Total	6	<u>187</u>	<u>2,771</u>	<u>79</u>	<u>3,037</u>
Net income/(expenditure)		23	(295)	(58)	(330)
Transfers between funds	17	-	(45)	45	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	1,956	-	1,956
Net movement in funds		23	1,616	(13)	1,626
Reconciliation of funds					
Total funds brought forward		155	(1,663)	2,052	544
Total funds carried forward		<u>178</u>	<u>(47)</u>	<u>2,039</u>	<u>2,170</u>

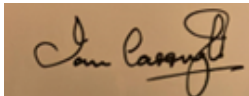
LANESEND PRIMARY

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		1,955		2,031
Current assets					
Stock	12	6		9	
Debtors	13	93		98	
Cash at bank and in hand		224		236	
		<u>323</u>		<u>343</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(182)		(142)	
Net current assets			141		201
Total assets less current liabilities			2,096		2,232
Creditors: amounts falling due after more than one year	15		(9)		(15)
Net assets excluding pension liability			2,087		2,217
Defined benefit pension scheme liability	19		-		(47)
Total net assets			<u>2,087</u>		<u>2,170</u>
Funds of the Academy Trust:					
Restricted funds	17				
- Fixed asset funds			1,990		2,039
- Pension reserve			-		(47)
Total restricted funds			<u>1,990</u>		<u>1,992</u>
Unrestricted income funds	17		97		178
Total funds			<u>2,087</u>		<u>2,170</u>

The Financial Statements on pages 24 to 47 were approved by the Trustees and authorised for issue on 13 December 2023 and are signed on their behalf by:



I Carrington

Chair of Trustees

Company registration number 09154494 (England and Wales)

LANESEND PRIMARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(33)		14
Cash flows from investing activities					
Capital grants from DfE Group		28		9	
Purchase of tangible fixed assets		(1)		(46)	
Net cash provided by/(used in) investing activities			27		(37)
Cash flows from financing activities					
Repayment of long term bank loan		(6)		(6)	
Net cash used in financing activities			(6)		(6)
Net decrease in cash and cash equivalents in the reporting period			(12)		(29)
Cash and cash equivalents at beginning of the year			236		265
Cash and cash equivalents at end of the year			224		236

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 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 Financial Statements 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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.

1.3 Income

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

Grants

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

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

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

Donations

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

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.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land and buildings	Land - 125 years; Buildings - 50 years
Outdoor area	10 years
Computer equipment	4 years
Motor vehicles	5 years

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

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.6 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.

1.7 Leased assets

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

1.8 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. 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. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 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 and the assets and the liabilities are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact on 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Donated fixed assets	-	-	-	12
Capital grants	-	28	28	9
Other donations	6	-	6	15
	<u>6</u>	<u>28</u>	<u>34</u>	<u>36</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	1,906	1,906	1,910
Other DfE/ESFA grants:				
- UIFSM	-	33	33	55
- Pupil premium	-	237	237	223
- Others	-	126	126	58
	<u>-</u>	<u>2,302</u>	<u>2,302</u>	<u>2,246</u>
Other government grants				
Local authority grants	-	205	205	183
	<u>-</u>	<u>205</u>	<u>205</u>	<u>183</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	41	41	47
	<u>-</u>	<u>41</u>	<u>41</u>	<u>47</u>
Other funding				
Catering income	27	-	27	24
Trips income	55	-	55	54
Other incoming resources	8	-	8	3
	<u>90</u>	<u>-</u>	<u>90</u>	<u>81</u>
Total funding	<u>90</u>	<u>2,548</u>	<u>2,638</u>	<u>2,557</u>

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for recovery premium of £23k and national tutoring programme of £18k covers staff and other costs.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Hire of facilities	4	-	4	3
Catering income	5	-	5	5
Income from facilities and services	92	-	92	85
Other income	40	-	40	21
	<u>141</u>	<u>-</u>	<u>141</u>	<u>114</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Expenditure on raising funds					
- Direct costs	-	-	17	17	10
Academy's educational operations					
- Direct costs	1,867	61	152	2,080	1,905
- Allocated support costs	496	142	238	876	1,122
	<u>2,363</u>	<u>203</u>	<u>407</u>	<u>2,973</u>	<u>3,037</u>

Net income/(expenditure) for the year includes:

	2023 £'000	2022 £'000
Operating lease rentals	3	3
Depreciation of tangible fixed assets	76	79
Loss on disposal of fixed assets	1	-
Fees payable to auditor for:		
- Audit	6	6
- Other services	4	4
Net interest on defined benefit pension liability	2	30
	<u></u>	<u></u>

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Direct costs				
Educational operations	301	1,779	2,080	1,905
Support costs				
Educational operations	-	876	876	1,122
	<u>301</u>	<u>2,655</u>	<u>2,956</u>	<u>3,027</u>
Analysis of costs			2023 £'000	2022 £'000
Direct costs				
Teaching and educational support staff costs			1,867	1,727
Staff development			8	11
Depreciation			61	65
Technology costs			8	3
Educational supplies and services			53	3
Examination fees			-	1
Educational consultancy			15	26
Other direct costs			68	69
			<u>2,080</u>	<u>1,905</u>
Support costs				
Support staff costs			468	456
Defined benefit pension scheme - staff costs (FRS102 adjustment)			28	310
Staff development			3	2
Depreciation			15	14
Loss on disposal of fixed assets			1	-
Technology costs			43	29
Maintenance of premises and equipment			17	31
Cleaning			15	6
Energy costs			52	21
Rent, rates and other occupancy costs			30	22
Insurance			11	10
Security and transport			4	4
Catering			125	113
Defined benefit pension scheme - finance costs (FRS102 adjustment)			2	30
Legal costs			13	21
Other support costs			38	39
Governance costs			11	14
			<u>876</u>	<u>1,122</u>

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Staff

Staff costs

Staff costs during the year were:

	2023 £'000	2022 £'000
Wages and salaries	1,806	1,704
Social security costs	140	122
Pension costs	389	357
Defined benefit pension scheme - staff costs (FRS102 adjustment)	28	310
	<hr/>	<hr/>
Total staff expenditure	2,363	2,493
	<hr/>	<hr/>

Staff numbers

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

	2023 Number	2022 Number
Teachers	22	22
Administration and support	80	66
Management	3	4
	<hr/>	<hr/>
	105	92
	<hr/>	<hr/>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2023 Number	2022 Number
Teachers	22	20
Administration and support	39	36
Management	3	4
	<hr/>	<hr/>
	64	60
	<hr/>	<hr/>

Higher paid staff

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

	2023 Number	2022 Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<hr/>	<hr/>

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Staff

(Continued)

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £331,846 (2022: £311,176).

9 Trustees' remuneration and expenses

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

The value of Trustees' remuneration and other benefits was as follows:

C Sice (Headteacher - resigned 31.08.2023):

- Remuneration: £80,000 - £85,000 (2022: £75,000 - £80,000)
- Employer's pension contributions: £15,000 - £20,000 (2022: £15,000 - £20,000)

T Hopkinson (Staff Trustee):

- Remuneration: £45,000 - £50,000 (2022: £40,000 - £45,000)
- Employer's pension contributions: £10,000 - £15,000 (2022: £10,000 - £15,000)

A Flux (Staff Trustee - resigned 02.10.2022):

- Remuneration: £nil - £5,000 (2022: £15,000 - £20,000)
- Employer's pension contributions: £nil - £5,000 (2022: £nil - £5,000)

During the year ended 31 August 2023 expenses totalling £nil (2022: £567) were reimbursed or paid directly to nil Trustees (2022: 1 Trustees).

10 Trustees' and officers' insurance

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

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

11 Tangible fixed assets

	Leasehold land and buildings	Outdoor area	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2022	2,265	136	136	22	2,559
Additions	-	1	-	-	1
Disposals	-	(1)	-	-	(1)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	2,265	136	136	22	2,559
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2022	331	67	118	12	528
Charge for the year	44	14	14	4	76
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	375	81	132	16	604
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 August 2023	1,890	55	4	6	1,955
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	1,934	69	18	10	2,031
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of leasehold land is included above at £93k with a lease term of 125 years.

12 Stock

	2023 £'000	2022 £'000
School uniform	6	9
	<u> </u>	<u> </u>

13 Debtors

	2023 £'000	2022 £'000
Trade debtors	2	2
VAT recoverable	22	34
Other debtors	-	9
Prepayments and accrued income	69	53
	<u> </u>	<u> </u>
	93	98
	<u> </u>	<u> </u>

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

14 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Government loans	6	6
Trade creditors	36	27
Other taxation and social security	34	28
ESFA creditors	4	-
Other creditors	3	4
Accruals and deferred income	99	77
	<u>182</u>	<u>142</u>

15 Creditors: amounts falling due after more than one year

	2023 £'000	2022 £'000
Government loans	9	15
	<u>9</u>	<u>15</u>

Analysis of loans	2023 £'000	2022 £'000
Wholly repayable within five years	15	21
Less: included in current liabilities	(6)	(6)
	<u>9</u>	<u>15</u>
Amounts included above	<u>9</u>	<u>15</u>

Loan maturity

Debt due in one year or less	6	6
Due in more than one year but not more than two years	6	6
Due in more than two years but not more than five years	3	9
	<u>15</u>	<u>21</u>

Salix Loan

The loan term remaining is under 5 years, with the rate of interest being 0%.

CIF Loan

The loan term remaining is under 2 years, with the rate of interest being 1.96%.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Deferred income

	2023 £'000	2022 £'000
Deferred income is included within:		
Creditors due within one year	43	28
	<u>43</u>	<u>28</u>
Deferred income at 1 September 2022	28	38
Released from previous years	(28)	(38)
Resources deferred in the year	43	28
	<u>43</u>	<u>28</u>
Deferred income at 31 August 2023	43	28
	<u>43</u>	<u>28</u>

Deferred income comprises of UIFSM funding of £30k (2022: £17k) and Trip income of £13k (2022: £11k).

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,906	(1,906)	-	-
UIFSM	-	33	(33)	-	-
Pupil premium	-	237	(237)	-	-
Other DfE/ESFA COVID-19 funding	-	41	(41)	-	-
Other DfE/ESFA grants	-	126	(126)	-	-
Other government grants	-	205	(205)	-	-
Pension reserve	(47)	-	(30)	77	-
	<u>(47)</u>	<u>2,548</u>	<u>(2,578)</u>	<u>77</u>	<u>-</u>
Restricted fixed asset funds					
Inherited on conversion	1,718	-	(39)	-	1,679
DfE group capital grants	22	28	(8)	-	42
Capital expenditure from GAG and other funds	280	-	(22)	-	258
Private sector capital sponsorship	19	-	(8)	-	11
	<u>2,039</u>	<u>28</u>	<u>(77)</u>	<u>-</u>	<u>1,990</u>
Total restricted funds	<u>1,992</u>	<u>2,576</u>	<u>(2,655)</u>	<u>77</u>	<u>1,990</u>
Unrestricted funds					
General funds	<u>178</u>	<u>237</u>	<u>(318)</u>	<u>-</u>	<u>97</u>
Total funds	<u>2,170</u>	<u>2,813</u>	<u>(2,973)</u>	<u>77</u>	<u>2,087</u>

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

The Restricted General Funds are used to fund the general operating costs of the Trust.

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 2023.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets plus the unspent element of Capital funds. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Trustees, to support any of the Academy's charitable purposes.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	-	1,910	(1,865)	(45)	-
UIFSM	-	55	(55)	-	-
Pupil premium	-	223	(223)	-	-
Other DfE/ESFA COVID-19 funding	-	47	(47)	-	-
Other DfE/ESFA grants	-	58	(58)	-	-
Other government grants	-	183	(183)	-	-
Pension reserve	(1,663)	-	(340)	1,956	(47)
	<u>(1,663)</u>	<u>2,476</u>	<u>(2,771)</u>	<u>1,911</u>	<u>(47)</u>
Restricted fixed asset funds					
Inherited on conversion	1,757	-	(39)	-	1,718
DfE group capital grants	12	9	(9)	10	22
Capital expenditure from GAG and other funds	268	-	(23)	35	280
Donated fixed assets (DfE / ESFA)	15	12	(8)	-	19
	<u>2,052</u>	<u>21</u>	<u>(79)</u>	<u>45</u>	<u>2,039</u>
Total restricted funds	<u>389</u>	<u>2,497</u>	<u>(2,850)</u>	<u>1,956</u>	<u>1,992</u>
Unrestricted funds					
General funds	<u>155</u>	<u>210</u>	<u>(187)</u>	<u>-</u>	<u>178</u>
Total funds	<u>544</u>	<u>2,707</u>	<u>(3,037)</u>	<u>1,956</u>	<u>2,170</u>

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	1,955	1,955
Current assets	97	191	35	323
Current liabilities	-	(182)	-	(182)
Non-current liabilities	-	(9)	-	(9)
Total net assets	97	-	1,990	2,087
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	2,031	2,031
Current assets	178	157	8	343
Current liabilities	-	(142)	-	(142)
Non-current liabilities	-	(15)	-	(15)
Pension scheme liability	-	(47)	-	(47)
Total net assets	178	(47)	2,039	2,170

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 Wight Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2022.

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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £230k (2022: £212k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.6% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £'000	2022 £'000
Employer's contributions	159	145
Employees' contributions	42	39
Total contributions	201	184

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.95	3.85
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25
CPI inflation	2.95	3.05

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

	2023 Years	2022 Years
Retiring today		
- Males	20.0	21.7
- Females	23.4	24.0
Retiring in 20 years		
- Males	20.1	22.6
- Females	25.1	25.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £'000	2022 £'000
Discount rate + 0.1%	1,571	1,729
Discount rate - 0.1%	1,667	1,841
Mortality assumption + 1 year	1,684	1,856
Mortality assumption - 1 year	1,554	1,714
Salary rate + 0.1%	1,621	1,788
Salary rate - 0.1%	1,617	1,782
Pensions rate + 0.1%	1,665	1,839
Pensions rate - 0.1%	1,573	1,731

Defined benefit pension scheme net asset/(liability)	2023 £'000	2022 £'000
Scheme assets	1,978	1,738
Scheme obligations	(1,978)	(1,785)
Net asset/(liability)	-	(47)

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme

	2023 Fair value £'000	2022 Fair value £'000
Equities	1,424	1,234
Bonds	317	295
Cash	138	87
Property	99	122
	<u> </u>	<u> </u>
Total market value of assets	1,978	1,738
	<u> </u>	<u> </u>

The actual return on scheme assets was £48,000 (2022: £(102,000)).

Amount recognised in the statement of financial activities

	2023 £'000	2022 £'000
Current service cost	187	455
Interest income	(78)	(29)
Interest cost	80	59
	<u> </u>	<u> </u>
Total operating charge	189	485
	<u> </u>	<u> </u>

Changes in the present value of defined benefit obligations

	2023 £'000
At 1 September 2022	1,785
Current service cost	187
Interest cost	80
Employee contributions	42
Actuarial (gain)	(107)
Benefits paid	(9)
	<u> </u>
At 31 August 2023	1,978
	<u> </u>

Changes in the fair value of the Academy Trust's share of scheme assets

	2023 £'000
At 1 September 2022	1,738
Interest income	78
Actuarial (loss)	(30)
Employer contributions	159
Employee contributions	42
Benefits paid	(9)
	<u> </u>
At 31 August 2023	1,978
	<u> </u>

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

The asset ceiling adjustment has been accounted for via FRS102 adjustment of £359k to the actuarial (gain) / loss.

20 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £'000	2022 £'000
Net expenditure for the reporting period (as per the statement of financial activities)		(160)	(330)
Adjusted for:			
Capital grants from DfE and other capital income		(28)	(21)
Defined benefit pension costs less contributions payable	19	28	310
Defined benefit pension scheme finance cost	19	2	30
Depreciation of tangible fixed assets		76	79
Loss on disposal of fixed assets		1	-
Decrease/(increase) in stocks		3	(1)
Decrease in debtors		5	11
Increase/(decrease) in creditors		40	(64)
Net cash (used in)/provided by operating activities		(33)	14

21 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	236	(12)	224
Loans falling due within one year	(6)	-	(6)
Loans falling due after more than one year	(15)	6	(9)
	215	(6)	209

22 Long-term commitments

Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £'000	2022 £'000
Amounts due within one year	2	3
Amounts due in two and five years	4	-
	6	3

LANESEND PRIMARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

23 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period.

Services were purchased during the year from Faversham Shipping for the amount of £nil (2022: £450). This is a related party by the virtue of the owner being the husband of Caroline Sice, a Trustee and CEO of the Academy Trust. No balance was owed by the Trust at year end.

Services were purchased during the year from KAAR Accountancy Services for the amount of £nil (2022: £450). This is a related party by the virtue of the owner being the brother-in-law to Caroline Sice, a Trustee and CEO of the Academy Trust. No balance was owed by the Trust at year end.

In entering into the transactions above the Academy Trust had not complied with the requirements of the ESFA's Academy Trust Handbook 2022.

24 Members' liability

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

25 Prior period adjustment

Prior period adjustment relates to £177k mis-allocated between Educational supplies and Teaching staff costs. This is a presentational adjustment and it does not affect the funds.

26 Post balance sheet events

On 1 February 2024 Lanesend Primary School is expected to join the Diocese of Chichester Academy Trust (DCAT) (Multi-academy trust).