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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	V Brelsford A Jee K Jones Diocese of Nottingham and Southwell Educational Trust
<b>Designated Members</b>	S Attenborrow V Brelsford, Chair of Governors M Vessey H Turner R Chadwick, Headteacher and Accounting Officer C Saint S Simpson O Hodgson, Staff Governor O Lord P Sheasby (resigned 23 July 2019) E Walker J Rich (resigned 22 July 2019) M Cantrill (appointed 19 August 2019) V Gray (appointed 16 October 2019)
<b>Company Registered Number</b>	07998451
<b>Company name</b>	Leverton Church of England Academy
<b>Principal and Registered Office</b>	Main Street North Leverton Retford Nottinghamshire DN22 0AD
<b>Senior Leadership Team</b>	R Chadwick, Headteacher J Bailey, Assistant Headteacher and SENCO
<b>Independent Auditors</b>	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
<b>Bankers</b>	Lloyds Bank plc 202 High Street Lincoln LN5 7AP

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Solicitors**

Nelsons  
Pennine House  
8 Stanford Street  
Nottingham  
NG1 7BQ

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 years serving a catchment area in the locality of North Leverton and surrounding villages.

**Structure, Governance and Management**

**Constitution**

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

The governors of Leverton Church of England Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Leverton C of E Academy.

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

**Governors' Indemnities**

The academy maintains governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its governors. The academy has also granted indemnities to each of its governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the governors or other officers may incur to third parties in the course of acting as governors or officers of the academy.

**Method of Recruitment and Appointment or Election of Governors**

Under the terms of its Articles: Subject to Articles 48-49 and 64, the academy shall have the following governors:

- up to 6 governors, appointed under Article 50 (members may appoint up to 6 governors);
- foundation governors, appointed and/or holding office further to Article 51;
- any staff governors, if appointed under Article 50A;
- a minimum of 2 parent governors appointed under Articles 53-58;
- the Headteacher;
- any additional governors, if appointed under Article 62, 62A or 68A; and
- any further governors, if appointed under Article 63 or Article 68A;

The members may appoint up to 14 governors save that there shall be no more than three employees of the academy (including the Headteacher) appointed as governors.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Governors are recruited as far as reasonably possible based on a skills set process to ensure that the governing body has the appropriate expertise to run the academy.

- Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time when he/she is elected.
- The governing body shall make all necessary arrangements for, and determine, all other matters relating to the election of parent governors, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent governors which is contested shall be held by secret ballot.
- The arrangements made for the election of a parent governor shall provide for every person who is entitled to a vote in the election to have an opportunity to do so by post, or if he prefers, by having his ballot paper returned to the academy by a registered pupil at the academy.
- Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, that he is entitled to stand as a candidate, and vote at the election and be given an opportunity to do so.

The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

Governors are responsible for nominating co-optees' if and when a need is established. The governors may not co-opt an employee of the academy as a co-opted governor if the number of governors who are employed by the academy would thereby exceed three (including the Headteacher).

Vacancies are advertised on the SGOSS website, through the academy clerking services, on the school website or internally via parent post and in academy newsletters. Governors are elected for a four-year period, save that this time limit shall not apply to the Headteacher; subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The governors receive:

- Object of Leverton C of E Academy.
- Induction for New Governors.
- Code of Conduct for New Governors.
- The Purpose and conduct of Governor Visits.
- Roles and Responsibilities of Governors.
- Governor Training Records.
- Governor Monitoring Records.
- Governors Handbook.

**Organisational Structure**

The organisational structure at Leverton C of E Academy consists of three levels: members board, governing body and the senior leadership team (including middle management personnel). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The members board steer the strategic direction of the academy and are responsible for appointing new governors and members to the board.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

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**GOVERNORS' REPORT (CONTINUED)**  
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The senior leadership team comprises the Headteacher and Assistant Headteacher with guidance taken from other key middle leaders within the school. These managers control the academy on a day-to-day basis, implementing the policies laid down by the governors and reporting back to them. They are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and pupils. As a group the senior leadership team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for teaching staff and posts in the senior leadership team always contain at least one governor. Some spending control is devolved to members of the middle leadership team, with limits above which a member of the senior leadership team must countersign. The finance and general purposes committee work closely with the senior leadership team to drive the school development plan and report back to the governing body.

As a single academy, the Accounting Officer for Leverton C of E Academy is the Headteacher.

All delegated responsibilities are outlined fully in the Leverton C of E Academy Terms of Reference and Remit document. This document is reviewed and updated annually and includes:

- Whole Governing Body Remits.
- Organisation and Membership of the members board and governing body at Leverton C of E Academy.
- Link Trustee and Teacher Responsibilities.
- Curriculum, Pupils & Personnel Committee Terms of reference and Remit.
- Finance and General Purposes Committee Terms of reference and Remit.
- Strategic Development Committee Terms of reference and Remit.
- Complaints Committee.
- Pupil Discipline Committee.
- Headteacher Appraisal Governor Review.
- Admissions Panel.

**Arrangements for Setting Pay and Remuneration of Management Personnel**

The senior leadership team (SLT) undertakes the day-to-day management of the academy. Governors of the academy are also part of the management team although they receive no pay or other remuneration in respect of their role. Where employee governors are in place, they receive remuneration for their role as employees and not as governors. Their pay is determined in the same way as all other staff at the academy. Further details of remuneration paid to employees who are also governors are set out within the notes to the accounts.

Governors determine remuneration for the senior leader team through the pay committee. The pay committee receives reports on performance management of the Headteacher from the Headteachers' performance management governors, and in the case of other members of the senior leadership team, from the Headteacher. The pay committee makes decisions based upon reports, the position of senior staff within their pay bands and the wider impact of such decisions on the budget.

The pay of the Headteacher is set annually by the pay committee, having taken into account performance management against objectives set in the previous year. Pay for other SLT members is based on recommendation of the Headteacher through the performance management process.

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**GOVERNORS' REPORT (CONTINUED)**  
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**Related Parties and Other Connected Charities and Organisations**

Leverton Pre-School Playgroup operated from the premises of Leverton C of E Academy but moved to an adjoining building within the school grounds during the year. The Playgroup is a registered charity run by a voluntary committee of parents and family members to provide early-years care and education for pre-school infants from 2 years upwards. The FS2 lead within the academy works closely with Playgroup staff to ensure a seamless transition of infants into the formal school environment. Following the move, Leverton C of E Academy governing body is keen to work closely with the Pre-School Playgroup Committee to ensure best outcomes for all.

The academy works with, and is supported by, Leverton Academy PTFA. The PTFA is a charitable organisation run by volunteers and whose sole purpose is to raise funds for the advancement of education of pupils attending Leverton C of E Academy.

**Objectives and Activities**

**Objects and Aims**

The academy trust's object ("the object") is specifically restricted to the following:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.
- b) to promote for the benefit of the inhabitants of Leverton and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**Objectives, Strategies and Activities**

The objectives of the academy are to:

- To develop and embed the leadership and management of all stakeholders across the academy.
- To fully establish the new curriculum and assessment systems.
- To develop an open culture which actively promotes confident, self-assured learners.
- To ensure progress and attainment of all groups across the school is at least good.
- To ensure the quality of Early Years Provision is at least good.
- To enhance the Christian distinctiveness of our school.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Public Benefit**

The governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their powers or duties.

Leverton C of E Academy is an academy converter catering for children aged 4 to 11 years old and strives to promote and support the advancement of education within the villages of North and South Leverton and other surrounding villages. The academy provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example, the academy works with:

- The local church & community groups to develop community events both in and out of school.
- Local sports clubs for training, coaching & competitions.
- Additional music teachers.
- The Bassetlaw District Council Heritage group linked to the Illuminate Festival & the Pilgrim Father celebrations .

Wherever possible the academy also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- Local sports clubs use the hall for clubs during the school holidays & after school.
- The PTA use the school to hold a range of fundraising activities for the children, families and the wider community.

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. The governors believe that the academy's aims, together with the activities outlined above, are demonstrably to the public benefit.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**ACHIEVEMENTS AND PERFORMANCE**

Attainment 2018/19

EYFS

% of children achieving an overall good level of development

2018/19 result	National Average
78%	72%

KS1

% of children at the expected level

	School Result	National Result
Reading	69%	75%
Writing	69%	69%
Maths	75%	76%

KS2 Results 2019

Subject	Attainment	School Result	National Average
Reading	Expected level	50%	73%
	Higher level	6%	27%
Writing	Expected level	69%	78%
	Higher level	13%	20%
Maths	Expected level	63%	79%
	Higher level	13%	27%
Grammar, Punctuation and Spelling	Expected level	63%	78%
	Higher level	13%	36%
Combined	Expected level	50%	65%
	Higher level	6%	11%

Progress

Subject	School Progress Score	National score
Reading	-4.61	0
Writing	-1.98	0
Maths	-4.39	0

In addition to this the children were given the opportunity to take part in a wide range of after school clubs including: eco-club, dance, basketball, choir, multi-sports, football, cooking, craft and science. These were all well attended by all age groups.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Children in upper KS2 were given the opportunity to participate in a three-day residential visit to Northumbria supporting their understanding of contrasting localities. Lower KS2 visited Rand Farm for 2 nights linked to developing their understanding of a working farm and build their teamwork skills. The Reception & Year 1 children camped out on the school field, to allow them to experience a night away from home. Day trips have also taken place to support children's learning throughout the year to places such as; York, Eureka, Perlethorpe, Aquarium visit, Young Voices Choir & numerous sporting festivals/competitions. In addition to this the school held its annual enrichment week where the children were able to take part in a range of themed activities throughout the week, with a science day, theatre/drama day, arts, sports and cultural focus.

As a school we have worked closely with the local church community through regular services and performances in church at Harvest, Remembrance Day, Christmas and Easter. The church also supports activities within school such as time travelling and messy church sessions.

The Academy, with its School Council, also supported a range of charities over the past year through different fundraising events. We helped Children in Need, World Share, NSPCC, Christmas Child Appeal, local food bank and the Downs Syndrome charities.

**Key Financial Performance Indicators**

The governors consider that the following are key financial performance indicators for the academy:

- Pupil numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level); the school currently has a nearly full PAN of 20 in some years' groups. The academy monitors the prospective pupil numbers through close working with the Pre-School Playgroup and is confident that the numbers present a sustainable model for future admissions.

Financial stability: The academy will always try to match income with expenditure within each year (set and manage a balanced budget), and will only carry forward reserves that it considers necessary (in line with the Reserves Policy).

The governors have determined that the appropriate level of free reserves for this financial year should be equivalent to one month's payroll cost, approximately £30,000. This is re-calculated on an annual basis. In addition:

- The school meals service should be self-funding.
- Maintenance of a positive cash balance that never falls below the next month's cash expenditure commitments.
- Maintenance of current assets that are at least twice the value of current liabilities (the Solvency Ratio).
- Income per pupil.
- That a clear audit trail for income from Pupil Premium and Sports Funding can be followed to demonstrate spend and links to outcomes in terms of progress and attainment.
- Ofsted inspection results.

The governors have been pleased that expectations for most of the key performance indicators listed have been successfully met during the period.

**Going Concern**

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

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Financial Review**

Most of the academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019, total expenditure of £670,693 was less than grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding actuarial movement) was £44,793.

At 31 August 2019, the net book value of fixed assets was £1,066,300 and movements in tangible fixed assets are shown in note 13 to the financial statements. During the year the assets were used exclusively for providing education and the associated support services to the pupils of the academy.

**Reserves Policy**

The governors review the reserve levels of the academy trust at both the finance and general purposes committee and full governing body level throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The policy of Leverton C of E Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. The governors at Leverton C of E Academy require a revenue reserve to be created to fund future expenditure related to the Development Plan's strategic long-term aims and developments.

Academies are expected to create reserves from their annual GAG funding. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant but the academy trust is able to bid for a share of the Academies Condition Improvement Fund as required. The governors of Leverton C of E Academy require a capital reserve to fund future capital expenditure.

The academy's reserves policy:

- Assists in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

The governors identify:

- When reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken.
- When reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any, that need to be taken.
- When the reserves level is below target, and considers whether this is due to short-term circumstance, or longer term reasons which might trigger a broader review of finances and reserves.

The governors will always try to match income with expenditure within each year (set and manage a balanced budget), and will only carry forward reserves that it considers necessary, having a clear plan for how it will be used to benefit the pupils.

The governors have determined that the appropriate level of free reserves should be equivalent to one month's payroll cost, approximately £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The academy will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the academy will strive to rebuild free reserves up to the level needed.

The value of restricted general funds (excluding pension reserve) plus unrestricted funds was £231,041. Of the total restricted fixed assets fund of £1,076,896, £1,066,300 can only be realised by disposing of tangible fixed assets.

**Investment Policy**

The purpose of the Investment Policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the academy's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested.

**Principal Risks and Uncertainties**

Leverton C of E Academy full governing body complete a Risk Analysis Matrix termly in order to ensure compliance with the ESFA Funding Agreement. The areas listed below are given consideration through the completion of this annual process.

Operational and reputational - this covers risks to the running of the academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the academy's financial position, including revenue streams, cost control and cash management.

The risks to which the academy is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of staff pension schemes.

**Financial and Risk Management Objectives and Policies**

The academy does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the academy trust to a number of financial risks which are described in more detail below. The main risks arising from the academy's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the academy manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the academy earns interest on the current account. With interest rates currently low, the governors will consider action to increase the income in line with the academy's Reserves and Investment Policies, provided it does not jeopardise the liquidity or security of the academy's assets.

Credit risk arises from the possibility that amounts owed to the academy will not be repaid. The academy does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

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**GOVERNORS' REPORT (CONTINUED)**  
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The governing body identify the following policies relating to risk management:

Health and Safety Policy.  
Fire Safety Policy.  
First Aid Policy.  
Emergency Plan Procedure.  
Whistle Blowing Policy.  
Anti-Corruption and Bribery Policy.  
Reserves Policy.  
Cash Handling Policy.  
Capital and Revenue Reserves Policy.  
Data Protection Policy.  
Behaviour Policy.  
Visits and Trips Policy.  
Finance Policy.  
Safeguarding and Child Protection Policy.  
Staff Handbook.  
Charging and Remissions Policy.  
Fraud Policy.  
Lettings Policy.  
Investment Policy.  
Write Off & Asset Disposal Register.  
GDPR Policy.

These areas of risk of regularly reviewed by appropriate staff, the senior management team and the full governing body. All changes made to policies identified as relevant to risk management are approved and signed off by the governing body. Adherence to, and awareness of changes within the Academies Financial Handbook are priority.

The following policies and registers are also in place and reviewed annually by the governing body:

Register of Business Interests.  
School Development Plan.  
Financial Delegation (Contained within Finance Policy).  
Statement of Internal Control.  
FMGS and Risk Matrix Tool.

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**GOVERNORS' REPORT (CONTINUED)**  
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The governors of the academy oversee risk management through a series of elements:

- Policy and Procedure  
Policy and procedures (as above) are set and approved by governors. They are implemented and communicated to staff and visitors through the Headteacher. Written procedures provide structure to policies where appropriate.
- Termly Reporting  
Termly reporting to the full governing body enables monitoring of the key risks and provides opportunity for problems to be highlighted.
- Business Planning and Budgeting  
Development planning and the budgeting process is used to set objectives, agree action plans and allocate resources. Progress towards meeting the academy's objectives is monitored regularly.
- Responsible Officer (RO)  
The RO will report to the governing body on internal controls and alert governors to any emerging issues as they arise. The RO is well placed to provide advice on the effectiveness of the internal control system, including risk management.
- Finance Governor  
The Finance Governor meets with the Business Administrator to do a series of internal audit checks, with a range of financial transactions being tested at each visit.
- External Audit  
The external audit provides feedback to the governors on the operation of the internal financial controls reviewed as part of the annual audit.
- Third Party Reports  
The use of external consultants will be necessary in areas such as health and safety and Human Resources. The use of such specialists will be used to increase the reliability of the internal control system.

### **Plans for Future Periods**

The governing body of the academy set key objectives in order to plan for future periods of operation.

A premises report is presented to the full governing body on a termly basis by the academy site manager. The development of the outdoor area and ICT are areas highlighted for future investment by the governing body.

The long term development for the academy includes enhancing the provision of areas now being used to underpin the school curriculum. These include:

- Extending the working links between Leverton Pre-School Playgroup and academy staff in order to ensure consistent and high standards of provision for children entering early year's education and support for local families using both the Playgroup and academy provision.
- A working party of governors and members of the senior leadership team will work together to build a sustainable long term plan for the academy.

### **AREAS FOR WHOLE SCHOOL DEVELOPMENT FOR THE NEXT YEAR (2019/20)**

- To develop & implement a broad and balanced coherently planned and sequenced curriculum which is ambitious for all children.
- To ensure improved outcomes for all pupils and groups across the curriculum, especially in English and Maths.
- To further develop and support the role of middle leadership to ensure subject leaders have a clear and ambitious vision for the implementation of their subject.
- To evaluate and embed the framework for the inspection of Church Schools.

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**GOVERNORS' REPORT (CONTINUED)**  
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**Auditor**

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 10 December 2019 and signed on its behalf by:

**V Brelsford**  
Chair of Governors

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Leverton Church of England Academy 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 governors 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 Leverton Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of governors has formally met 5 times during the year.

Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
S Attenborrow	2	5
V Brelsford	5	5
M Vessey	2	5
H Turner	5	5
R Chadwick	5	5
C Saint	5	5
S Simpson	1	5
O Hodgson	5	5
O Lord	4	5
P Sheasby	4	5
E Walker	2	5
J Rich	3	5
M Cantrill	0	0

The board of governors is pleased to document further improvements and positive developments across the academy during the 2018/2019 academic year. The middle management of the school has been further strengthened by the previous year's appointments of an Assistant Headteacher and Senior Teacher, which have had a positive impact on the academy. The board of governors continues to support the senior leadership team to ensure that class sizes are appropriate and that the academy is staffed with the professional skills required to maintain high standards of care and education of all who attend the setting. The board of governors ensures continual support through monitoring of provision, supporting professional development and ensuring financial viability of the setting.

The board of governors appreciate the continued contribution made to the academy by the Headteacher Miss Chadwick and the Business Manager Mrs Sirrell. As always, the board of governors look forward to working with the whole staff team on the academy's continued journey of improvement, and must note further appreciation of their continued dedication to the school, its' pupils and their families. Governors work closely with the Headteacher and senior leadership team to ensure that the academy provides a high standard of education and wider support to local children and their families. The board of governors supports access to learning through assessment of the curriculum and appropriate and effective intervention programs for pupils. All of this is underpinned by investing in staff, providing access to training and supporting work-life balance being seen as key tools to a well-organised and happy school for all. The governing body conducts a whole school staff 'work-life and wellbeing survey' and feeds back to staff to ensure that the academy remains a supportive employer. A working party from the governing body liaises with externally operated Leverton Pre-School Playgroup committee, and is committed to increasing the level of support provided to local infants. The school continues to liaise with the preschool setting in order that transition for children between the preschool and the academy is a smooth one. The board of governors are keen to ensure that the academy reflects the needs of the local families which it serves and that it continues to work closely with others within the community to maintain its local character.

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Governor succession planning remains a key objective for further improvement. Governors continue to pay termly visits to the academy to ensure monitoring is effective and that this is fed back at board of governors meetings. Improved succession planning allowed for a new vice-chair of governors, and two new committee chairs being elected to the Curriculum and Finance committees in the previous year. These roles are now fully embedded and have proved successful appointments in improving the efficient functioning of the board of governors. One governor resigned their position on the board due to wider personal commitments, and there is currently an associated governor position to be filled. It is the aim of the board to strengthen the role of the Finance and Personnel Committee function, and that priority will be to recruit a further board member with knowledge around finance and business.

During the year, the full board of governors only met 5 times. The governors consider that they have had sufficient oversight given the provision of regular financial information as well as the meetings of the subcommittees in the year. In addition, regular monitoring visits are attended by the governors.

The Finance and Personnel Committee is a sub-committee of the board of governors. Its purpose is to determine, approve and monitor the academy's budget, budgetary systems and allocation of resources, including pay, premises, health and safety, and security responsibilities. One of the Committee's responsibilities is routine budget setting and monitoring, as well as ensuring the academy provides a safe educational environment.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
V Brelsford	3	3
R Chadwick	2	3
J Rich	0	3
C Saint	3	3
P Sheasby	3	3
H Turner	3	3

**Review of value for money**

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

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

- Producing spending forecasts linked to the key priorities in the School Development Plan. This outlines at least 3 options for substantial spending and appraised the pros and cons of each option; ensuring best values in relation to pricing and effectiveness.
- Pupil Premium and Sports Funding has been more rigorously allocated and monitored; reviewing the impact of the spending and the benefits for the children.
- Termly external audit procedures ensure value for money is monitored and reported on.
- A review of all contracts has been carried out throughout the year to ensure value for money; ensuring best value and service.

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 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 Leverton Church of England Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the Finance and Personnel 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; and
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed a Responsible Person to perform a peer review.

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

- review of purchasing systems;
- review of payroll systems; and
- a review of bank reconciliations.

On an annual basis, the reviewer reports to the board of governors on the operation of the systems of control and on the discharge of the governors' financial responsibilities.

The Responsible Person has delivered their schedule of work as planned with minor improvement to the purchasing systems identified.

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (CONTINUED)**

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control 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 governors on 10 December 2019 and signed on their behalf by:

**V Brelsford**  
Chair of Governors

**R Chadwick**  
Accounting Officer

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Leverton Church of England Academy I have considered my responsibility to notify the academy board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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 governors and ESFA.

**R Chadwick**  
Accounting Officer  
Date: 10 December 2019

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of governors on 10 December 2019 and signed on its behalf by:

**V Brelsford**  
Chair of Governors

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LEVERTON CHURCH OF ENGLAND ACADEMY**

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**Opinion**

We have audited the financial statements of Leverton Church of England Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LEVERTON CHURCH OF ENGLAND ACADEMY (CONTINUED)**

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**Other information**

The governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Governors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LEVERTON CHURCH OF ENGLAND ACADEMY (CONTINUED)**

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**Responsibilities of trustees**

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

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

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

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

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

**Use of our report**

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

**Robert Anderson (Senior statutory auditor)**

for and on behalf of

**Streets Audit LLP**

Chartered Accountants & Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

16 December 2019

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEVERTON  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leverton Church of England Academy during the year 1 September 2018 to 31 August 2019 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 Leverton Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leverton Church of England Academy 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 Leverton Church of England Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Leverton Church of England Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Leverton Church of England Academy's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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's income and expenditure.

Our audit work involved:

- a review of the academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the academy finance policy; and
- a review of the related party relationships and internal audit reports.

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEVERTON  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Robert Anderson**

**Streets Audit LLP**

Date: 16 December 2019

**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	11,761	11,761	15,658
Charitable activities	4	26,862	635,252	-	662,114	615,832
Other trading activities	5	1,500	-	-	1,500	2,815
Investments	6	111	-	-	111	87
<b>Total income</b>		<b>28,473</b>	<b>635,252</b>	<b>11,761</b>	<b>675,486</b>	<b>634,392</b>
<b>Expenditure on:</b>						
Charitable activities	7,8	28,473	600,361	41,859	670,693	661,716
<b>Total expenditure</b>		<b>28,473</b>	<b>600,361</b>	<b>41,859</b>	<b>670,693</b>	<b>661,716</b>
<b>Net income / (expenditure)</b>		<b>-</b>	<b>34,891</b>	<b>(30,098)</b>	<b>4,793</b>	<b>(27,324)</b>
Transfers between funds	16	-	(6,824)	6,824	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>-</b>	<b>28,067</b>	<b>(23,274)</b>	<b>4,793</b>	<b>(27,324)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	21	-	(107,000)	-	(107,000)	108,000
<b>Net movement in funds</b>		<b>-</b>	<b>(78,933)</b>	<b>(23,274)</b>	<b>(102,207)</b>	<b>80,676</b>

**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	-	(197,026)	1,100,170	903,144	822,468
Net movement in funds	-	(78,933)	(23,274)	(102,207)	80,676
<b>Total funds carried forward</b>	<b>-</b>	<b>(275,959)</b>	<b>1,076,896</b>	<b>800,937</b>	<b>903,144</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 32 to 55 form part of these financial statements.

**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07998451**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	1,066,300	1,093,521
		<u>1,066,300</u>	<u>1,093,521</u>
<b>Current assets</b>			
Debtors	14	20,364	20,691
Cash at bank and in hand		261,869	191,742
		<u>282,233</u>	<u>212,433</u>
Creditors: amounts falling due within one year	15	(40,596)	(42,810)
<b>Net current assets</b>		<u>241,637</u>	<u>169,623</u>
<b>Total assets less current liabilities</b>		<u>1,307,937</u>	<u>1,263,144</u>
<b>Net assets excluding pension liability</b>		<u>1,307,937</u>	<u>1,263,144</u>
Defined benefit pension scheme liability	21	(507,000)	(360,000)
<b>Total net assets</b>		<u><u>800,937</u></u>	<u><u>903,144</u></u>

**LEVERTON CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	1,076,896	1,100,170
Restricted income funds	16	231,041	162,974
		<hr/>	<hr/>
Restricted funds excluding pension asset	16	1,307,937	1,263,144
Pension reserve	16	(507,000)	(360,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	16	800,937	903,144
		<hr/>	<hr/>
<b>Unrestricted income funds</b>	16	-	-
		<hr/>	<hr/>
<b>Total funds</b>		<b>800,937</b>	<b>903,144</b>
		<hr/> <hr/>	<hr/> <hr/>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 27 to 55 were approved by the governors, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

**V Brelsford**  
Chair of Governors

The notes on pages 32 to 55 form part of these financial statements.

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	<b>65,079</b>	<i>(10,118)</i>
<b>Cash flows from investing activities</b>	19	<b>5,048</b>	<i>(36,878)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>70,127</b>	<i>(46,996)</i>
Cash and cash equivalents at the beginning of the year		<b>191,742</b>	238,738
<b>Cash and cash equivalents at the end of the year</b>	20	<u><b>261,869</b></u>	<u><i>191,742</i></u>

The notes on pages 32 to 55 form part of these financial statements

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**LEVERTON CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Leverton Church of England Academy meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting policies (continued)**

**1.3 Income**

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 year it is receivable and to the extent the academy has provided the goods or services.

**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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- straight line over 50 years
Property improvements	- straight line over 10 years
Fixtures, fittings and equipment	- straight line over 3, 4 and 10 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.

**1.7 Debtors**

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

**1.8 Cash at bank and in hand**

Cash at bank represents amounts held in current bank account facilities only.

**1.9 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting policies (continued)**

**1.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

*Cash at bank* - is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

**1.11 Pensions**

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

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

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

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

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**1. Accounting policies (continued)**

**1.12 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Donations	-	-	-	-	1,000
Capital Grants	-	-	11,761	<b>11,761</b>	14,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	11,761	<b>11,761</b>	15,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	500	500	14,658	15,658	
	<hr/>	<hr/>	<hr/>	<hr/>	

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**4. Funding for the academy's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>ESFA Grants</b>			
General Annual Grant (GAG)	-	539,745	<b>539,745</b>
Other ESFA Grants	-	72,245	<b>72,245</b>
	-	611,990	<b>611,990</b>
<b>Other Government Grants</b>			
Local Authority Grants	-	23,262	<b>23,262</b>
	-	23,262	<b>23,262</b>
<b>Other Funding</b>			
Other Income	26,862	-	<b>26,862</b>
	26,862	-	<b>26,862</b>
	26,862	635,252	<b>662,114</b>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
<b>ESFA Grants</b>			
General Annual Grant (GAG)	-	497,177	497,177
Other ESFA Grants	-	70,486	70,486
	-	567,663	567,663
<b>Other Government Grants</b>			
Local Authority Grants	-	24,015	24,015
	-	24,015	24,015
<b>Other Funding</b>			
Other Income	24,154	-	24,154
	24,154	591,678	615,832

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Lettings Income	-	-	1,215
Insurance Claims	1,500	<b>1,500</b>	1,600
	<hr/> 1,500 <hr/>	<hr/> <b>1,500</b> <hr/>	<hr/> 2,815 <hr/>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank Interest	111	<b>111</b>	87
	<hr/> 111 <hr/>	<hr/> <b>111</b> <hr/>	<hr/> 87 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Educational Operations:				
Direct Costs	389,802	-	50,265	<b>440,067</b>
Support Costs	98,184	39,006	93,436	<b>230,626</b>
	<u>487,986</u>	<u>39,006</u>	<u>143,701</u>	<u><b>670,693</b></u>
	<b>Staff Costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other 2018 £</b>	<b>Total 2018 £</b>
Educational Operations:				
Direct Costs	359,682	-	63,691	423,373
Support Costs	98,692	38,491	101,160	238,343
	<u>458,374</u>	<u>38,491</u>	<u>164,851</u>	<u>661,716</u>

**8. Analysis of expenditure by activities**

	<b>Direct Costs 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Educational Operations	<u>440,067</u>	<u>230,626</u>	<u><b>670,693</b></u>
	<b>Activities undertaken directly 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total funds 2018 £</b>
Educational Operations	<u>423,373</u>	<u>238,343</u>	<u>661,716</u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff Costs	<b>387,992</b>	348,285
Educational Supplies	<b>27,682</b>	32,950
Staff Development	<b>2,797</b>	4,990
Other Direct Staff Costs	<b>9,430</b>	18,647
Other Direct Costs	<b>12,166</b>	18,501
	<b>440,067</b>	423,373

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Pension Finance Costs	<b>9,000</b>	11,000
Staff Costs	<b>98,184</b>	98,692
Depreciation	<b>34,045</b>	35,730
Maintenance	<b>15,885</b>	19,672
Rates	<b>4,359</b>	3,044
Insurance	<b>2,752</b>	2,991
Energy	<b>14,861</b>	11,616
Cleaning	<b>1,149</b>	1,168
Technology	<b>11,483</b>	13,677
Transport	<b>1,339</b>	1,231
Catering	<b>10,788</b>	11,156
Other Support Costs	<b>14,746</b>	17,000
Governance Costs	<b>12,035</b>	11,366
	<b>230,626</b>	238,343

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

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,388	2,612
Depreciation of tangible fixed assets	34,045	35,730
Fees paid to auditors for:		
- audit	3,000	3,000
- other services	3,150	3,150
	<u>3,150</u>	<u>3,150</u>

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	362,876	335,222
Social security costs	28,012	24,883
Pension costs	95,288	86,872
	<u>486,176</u>	<u>446,977</u>
Agency staff costs	1,810	11,397
	<u>487,986</u>	<u>458,374</u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	7	7
Administration and Support	12	11
	<u>19</u>	<u>18</u>

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**10. Staff costs (continued)**

**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>7</b>	<b>7</b>
Administration and Support	<b>8</b>	<b>7</b>
	<b>15</b>	<b>14</b>

**c. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in either year.

**d. Key management personnel**

The key management personnel of the academy comprise the governors and the senior leadership team on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £147,500 (2018 - £137,000).

**11. Governors' remuneration and expenses**

One or more governors has been paid remuneration or has received other benefits from an employment with the academy. The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of governors' remuneration and other benefits for the period they were governors was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
R Chadwick	Remuneration	<b>55,000 -</b>	<b>50,000 -</b>
		<b>60,000</b>	<b>55,000</b>
	Pension contributions paid	<b>5,000 -</b>	<b>5,000 -</b>
		<b>10,000</b>	<b>10,000</b>
O Hodgson	Remuneration	<b>25,000 -</b>	<b>10,000 -</b>
		<b>30,000</b>	<b>15,000</b>
	Pension contributions paid	<b>0 - 5,000</b>	<b>0 - 5,000</b>
H Mitton	Remuneration	<b>nil</b>	<b>10,000 -</b>
			<b>15,000</b>
	Pension contributions paid	<b>nil</b>	<b>0 - 5,000</b>

During the year ended 31 August 2019, expenses totalling £888 were reimbursed or paid directly to 2 governors (2018 - £600 to 2 governors). Expenses represent mileage incurred in performance of their employed roles.

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**12. Governors' and Officers' insurance**

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

**13. Tangible fixed assets**

	Long-term leasehold property £	Property Improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	1,151,607	14,337	95,356	1,261,300
Additions	-	-	6,824	6,824
At 31 August 2019	1,151,607	14,337	102,180	1,268,124
<b>Depreciation</b>				
At 1 September 2018	101,533	1,647	64,599	167,779
Charge for the year	20,152	1,434	12,459	34,045
At 31 August 2019	121,685	3,081	77,058	201,824
<b>Net book value</b>				
At 31 August 2019	1,029,922	11,256	25,122	1,066,300
At 31 August 2018	1,050,074	12,690	30,757	1,093,521

Long-term leasehold property includes land of £144,000 which is not depreciated.

Long-term leasehold property is held under a 125 year lease from Nottinghamshire County Council. The property was initially valued in line with the valuation provided on conversion by the ESFA.

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**14. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
VAT reclaimable	3,245	2,847
Prepayments and accrued income	17,119	17,844
	<u>20,364</u>	<u>20,691</u>

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

	2019 £	2018 £
Trade creditors	7,046	4,749
Other taxation and social security	5,748	6,880
Other creditors	7,134	6,806
Accruals and deferred income	20,668	24,375
	<u>40,596</u>	<u>42,810</u>

	2019 £	2018 £
<b>Deferred Income</b>		
Deferred income at 1 September	17,815	10,962
Resources deferred during the year	14,883	17,815
Amounts released from previous periods	(17,815)	(10,962)
	<u>14,883</u>	<u>17,815</u>

At the year-end, the academy had received funding in advance in respect of UIFSM and SEN.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted Funds</b>						
General Funds	-	28,473	(28,473)	-	-	-
<b>Restricted Funds</b>						
General Annual Grant (GAG)	156,544	539,745	(463,967)	(6,824)	-	225,498
Other ESFA Grants	6,430	72,245	(73,132)	-	-	5,543
Other Government Grants	-	23,262	(23,262)	-	-	-
Pension reserve	(360,000)	-	(40,000)	-	(107,000)	(507,000)
	<u>(197,026)</u>	<u>635,252</u>	<u>(600,361)</u>	<u>(6,824)</u>	<u>(107,000)</u>	<u>(275,959)</u>
<b>Restricted Fixed Asset Funds</b>						
Assets on Conversion	969,691	-	(18,520)	-	-	951,171
Assets Aquired with Funding	123,830	-	(15,525)	6,824	-	115,129
DFC Grants	5,215	11,761	(6,380)	-	-	10,596
CIF Grants	1,434	-	(1,434)	-	-	-
	<u>1,100,170</u>	<u>11,761</u>	<u>(41,859)</u>	<u>6,824</u>	<u>-</u>	<u>1,076,896</u>
<b>Total Restricted funds</b>	<u>903,144</u>	<u>647,013</u>	<u>(642,220)</u>	<u>-</u>	<u>(107,000)</u>	<u>800,937</u>
<b>Total funds</b>	<u><u>903,144</u></u>	<u><u>675,486</u></u>	<u><u>(670,693)</u></u>	<u><u>-</u></u>	<u><u>(107,000)</u></u>	<u><u>800,937</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

**Unrestricted Funds:**

General Funds represent those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors.

**Restricted Funds:**

General Annual Grant is made up of a number of different funding streams all of which are to be used to cover the running costs of the academy.

Other ESFA Grants represents other funding from the ESFA received for specific purposes.

Other Government Income represents funding received from other Government sources to be spent for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme.

**Restricted Fixed Asset Funds:**

The individual balances represent the net book value of fixed assets acquired by the different sources of funding received by the academy.

Unspent DFC and CIF Grants relate to unspent funding received from the ESFA to be spent on expenditure of a capital nature.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted Funds</b>						
General Funds	-	27,556	(27,556)	-	-	-
<b>Restricted Funds</b>						
General Annual Grant (GAG)	129,788	497,177	(464,196)	(6,225)	-	156,544
Other ESFA Grants	4,663	70,486	(68,719)	-	-	6,430
Other Government Grants	-	24,015	(24,015)	-	-	-
Other Income	10,000	500	(500)	(10,000)	-	-
Pension Reserve	(427,000)	-	(41,000)	-	108,000	(360,000)
	<u>(282,549)</u>	<u>592,178</u>	<u>(598,430)</u>	<u>(16,225)</u>	<u>108,000</u>	<u>(197,026)</u>
<b>Restricted Fixed Asset Funds</b>						
Assets on Conversion	988,211	-	(18,520)	-	-	969,691
Assets Acquired with Funding	89,417	-	(17,210)	51,623	-	123,830
DFC Grants	-	5,215	-	-	-	5,215
CIF Grants	27,389	9,443	-	(35,398)	-	1,434
	<u>1,105,017</u>	<u>14,658</u>	<u>(35,730)</u>	<u>16,225</u>	<u>-</u>	<u>1,100,170</u>
<b>Total Restricted funds</b>	<u>822,468</u>	<u>606,836</u>	<u>(634,160)</u>	<u>-</u>	<u>108,000</u>	<u>903,144</u>

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Total funds</b>	<b>822,468</b>	<b>634,392</b>	<b>(661,716)</b>	<b>-</b>	<b>108,000</b>	<b>903,144</b>

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

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

	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	1,066,300	<b>1,066,300</b>
Current assets	271,637	10,596	<b>282,233</b>
Creditors due within one year	(40,596)	-	<b>(40,596)</b>
Provisions for liabilities and charges	(507,000)	-	<b>(507,000)</b>
<b>Total</b>	<b>(275,959)</b>	<b>1,076,896</b>	<b>800,937</b>

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

	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	1,093,521	<b>1,093,521</b>
Current assets	205,784	6,649	<b>212,433</b>
Creditors due within one year	(42,810)	-	<b>(42,810)</b>
Provisions for liabilities and charges	(360,000)	-	<b>(360,000)</b>
<b>Total</b>	<b>(197,026)</b>	<b>1,100,170</b>	<b>903,144</b>

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**18. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	4,793	(27,324)
<b>Adjustments for:</b>		
Depreciation	34,045	35,730
Capital grants from DfE and other capital income	(11,761)	(14,658)
Interest receivable	(111)	(87)
Defined benefit pension scheme cost less contributions payable	31,000	30,000
Defined benefit pension scheme finance cost	9,000	11,000
Decrease in debtors	327	16,531
Decrease in creditors	(2,214)	(61,310)
<b>Net cash provided by/(used in) operating activities</b>	<b>65,079</b>	<b>(10,118)</b>

**19. Cash flows from investing activities**

	2019 £	2018 £
Interest received	111	87
Purchase of tangible fixed assets	(6,824)	(51,623)
Capital grants from DfE Group	11,761	14,658
<b>Net cash provided by/(used in) investing activities</b>	<b>5,048</b>	<b>(36,878)</b>

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

	2019 £	2018 £
Cash in hand	261,869	191,742
<b>Total cash and cash equivalents</b>	<b>261,869</b>	<b>191,742</b>

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**21. Pension commitments**

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

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

Contributions amounting to £7,034 were payable to the schemes at 31 August 2019 (2018 - £6,759) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**21. Pension commitments (continued)**

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

The employer's pension costs paid to TPS in the year amounted to £38,000 (2018 - £35,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 contribution made for the year ended 31 August 2019 was £34,000 (2018 - £29,000), of which employer's contributions totalled £26,000 (2018 - £22,000) and employees' contributions totalled £8,000 (2018 - £7,000). The agreed contribution rates for future years are 18.3% for employers and a maximum of 12.5% for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<i>2018</i>
	<b>%</b>	<b>%</b>
Salary Increase Rate	<b>3.70</b>	3.80
Pension Increase Rate	<b>2.20</b>	2.30
Discount Rate	<b>1.85</b>	2.65

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

	<b>2019</b>	<i>2018</i>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.7</b>	22.7
Females	<b>24.4</b>	25.6
<i>Retiring in 20 years</i>		
Males	<b>23.3</b>	24.9
Females	<b>26.2</b>	28.0

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**21. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Discount rate +0.1%	<b>(22)</b>	<i>(17)</i>
Discount rate -0.1%	<b>22</b>	<i>18</i>
Life expectancy - 1 year increase	<b>37</b>	<i>29</i>
Life expectancy - 1 year decrease	<b>(36)</b>	<i>(28)</i>
Pension increases +0.1%	<b>20</b>	<i>16</i>
Pension increases -0.1%	<b>(20)</b>	<i>(16)</i>

The academy's share of the assets in the scheme was:

	<b>At 31 August 2019</b>	<i>At 31 August 2018</i>
	<b>£</b>	<i>£</i>
Equities	<b>272,000</b>	<i>253,000</i>
Gilts	<b>14,000</b>	<i>11,000</i>
Other Bonds	<b>37,000</b>	<i>41,000</i>
Property	<b>57,000</b>	<i>54,000</i>
Cash	<b>13,000</b>	<i>7,000</i>
Other	<b>42,000</b>	<i>27,000</i>
<b>Total market value of assets</b>	<b>435,000</b>	<i>393,000</i>

The actual return on scheme assets was £18,000 (2018 - £24,000).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>(50,000)</b>	<i>(52,000)</i>
Past service cost	<b>(7,000)</b>	<i>-</i>
Interest income	<b>11,000</b>	<i>10,000</i>
Interest cost	<b>(20,000)</b>	<i>(21,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(66,000)</b>	<i>(63,000)</i>

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**21. Pension commitments (continued)**

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

	2019 £	2018 £
<b>Opening defined benefit obligation</b>	<b>753,000</b>	<b>811,000</b>
Current service cost	50,000	52,000
Interest cost	20,000	21,000
Employee contributions	8,000	7,000
Changes in actuarial assumptions	114,000	(94,000)
Benefits paid	(10,000)	(44,000)
Past service cost	7,000	-
<b>At 31 August 2019</b>	<b>942,000</b>	<b>753,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>393,000</b>	<b>384,000</b>
Interest income	11,000	10,000
Return on assets less interest	7,000	14,000
Employer contributions	26,000	22,000
Employee contributions	8,000	7,000
Benefits paid	(10,000)	(44,000)
<b>At 31 August</b>	<b>435,000</b>	<b>393,000</b>

**22. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Amounts payable:</b>		
Not later than 1 year	2,388	2,388
Later than 1 year and not later than 5 years	1,194	3,582
	<b>3,582</b>	<b>5,970</b>

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**23. Members' liability**

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

**24. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 11.