

Company Registration Number: 07713512 (England & Wales)

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Governors' responsibilities	15
Independent auditor's report on the financial statements	16 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Consolidated statement of financial activities incorporating income and expenditure account	21
Consolidated balance sheet	22
Academy balance sheet	23 - 24
Consolidated statement of cash flows	25
Notes to the financial statements	26 - 50

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Mr K Hailwood
Blackburn Diocese Board of Education
Rev S Timmins
Parochial Church Council of Christ Church Parbold

Governors

Mr K Hailwood, Foundation Governor & Chair of Resources Committee^{1,3,4,5}
Mrs K Baybut, Foundation Governor & Chair Standards Committee^{1,2,4}
Mr J. Baker, Foundation Governor & Chair of Premises, Health & Safety^{1,3,4}
Mrs A Jones, Foundation Governor^{1,2}
Mrs J Santi, Foundation Governor²
Mr G Carruthers, Foundation Governor, Vice of Governors (appointed 19 September 2019)^{2,3,5}
Mrs S Rowland, Parent Governor (resigned 19 September 2019)
Mrs H C Collinson, Parent Governor (resigned 19 September 2019)
Rev. S Timmins, Foundation Governor
Mrs N Watts, Head Teacher
Mrs J Eccles, Staff Governor
Mr S Jerath, Staff Governor (resigned 31 August 2019)
Dr E Gill, Chair of Governors (appointed 4 December 2017)
Mrs H Wainwright, Staff Governor (appointed 19 September 2019)²
Mrs J MacRae, Parent Governor (appointed 26 September 2019)
Mrs C Britner, Parent Governor (appointed 26 September 2019)

- 1 Resources Committee
- 2 Standards Committee
- 3 Premises Committee
- 4 Remuneration Committee
- 5 Teaching School

Company registered number

07713512

Company name

Parbold Douglas Church of England Academy

Principal and registered office

Lancaster Lane, Parbold, Lancashire, WN8 7HS

Company secretary

Mrs Joanne Jarvis

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019

Advisers (continued)

Senior management team

Mrs N Watts, Headteacher

Mr John Coxhead, Deputy Headteacher

Independent auditor

Crowe U.K. LLP, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Royal Bank of Scotland, Drummond House (GZ) Branch, 1 Redheughs Avenue, Edinburgh, EH12 9JN

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2018 to 31 August 2019. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the FRS102 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015 and the Annual Accounts Direction. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Since the academy and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. CONSTITUTION

The academy and the group is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of Parbold Douglas Church of England Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Parbold Douglas Church of England Academy.

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

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

In accordance with the Articles of Association two governors are ex officio (The Incumbent of Christ Church Parbold and the Headteacher.). Three are appointed by Blackburn Diocese and four by the PCC of Christ Church Parbold. Two are elected by parents and two are staff elected by the academy staff.

Governors are appointed for a fixed term of 4 years but are eligible for re election at the end of the fixed term.

The Governing Body currently comprises of 13 Trust Board members (Board members are appointed as Directors under the Companies Act 2006) including, the principal and two staff governors, both employed by the trust and two parent governors, elected by the parents.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

A new and more comprehensive Induction plan for new governors has been developed. It includes an induction meeting with the Chair of governors and an on-line pack of relevant information such as the Articles of Association. They arrange to attend a full day training course for new governors provided by LCC Governor Services. Ongoing training of trustees is bought in from Governor Services. This year this included an externally moderated Self Evaluation with a subsequent action plan now implemented. Three trustees have completed Safeguarding training this year and one completed Safer Recruitment.

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Performance management of the Headteacher is carried out by a panel of three trustees advised by the School Advisor. Three objectives are set for each school year. These are reviewed mid year by the panel and Advisor and again at the end of the year. On the basis of how well the objectives have been met the panel decides on any progression up the pay scale and this is ratified by the full Board.

Annual individual staff performance objectives are set by the Headteacher and reviewed at the end of the academic year. Recommendations are submitted by the Headteacher to a Remuneration committee of trustees who make the final decision on pay progression.

No trustee received any remuneration.

f. ORGANISATIONAL STRUCTURE

The Governing Body roles and responsibilities were reviewed in annually September.

The Governors are organised into a number of committees who form policy to be agreed at main Governing Body meetings. The bodies comprise Health/Safety and Premises, Resources/Audit, (Staffing & Finance combined), Standards, Remuneration and Teaching School.

The Governors are responsible for setting general policy, including the vision, aims and ethos of the Academy and the monitoring of academic standards, 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. During the period under review, Governors held 12 meetings. All Governors receive monthly newsletters and are kept up to date by regular e mail. Some Governors help in school accompanying visits and attending events. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their Governing Body duties. The Internal Auditor has monitored the changes to processes and makes regular reports to the governing body. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the finance manual.

The day to day management of the Academy is delegated by the Governing Body to the Headteacher who is the Accounting Officer. The Deputy Headteacher and the School Business Manager support the Headteacher.

The Board and each committee have Terms of Reference which are reviewed annually. Decisions such as approval of the annual budget and the Annual Report are reserved for the Board as are senior staff appointments such as Headteacher and Deputy Headteacher. The Board also receives and adopts the annual Safeguarding report.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Connected Organisations including Related Party Relationships

There are no related parties, which either control or significantly influence the decisions or operations of Parbold Douglas Church of England Academy. There are no sponsors.

The Academy works closely with parents and our Foundation Parish to further the principal activities of the Academy.

The Academy works closely with Parbold Douglas Nursery Ltd. to provide pre school education for 2 -4 year olds.

h. GOVERNORS' INDEMNITIES

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Parbold Douglas Church of England Primary Academy

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy during the period ended 31 August 2019 are to prepare children for living and learning responsibly in society through the school ethos statement or intent which is:

Through sharing the life-giving message of Jesus Christ, we are committed to delivering exciting and engaging learning opportunities to enable our children to develop a love of learning and achieve their best. We aim to provide an environment for learning where all are loved and valued, by themselves and each other and where all can live out our Christian values, at school, at home and in the community. We aim to help all recognise and appreciate their unique gifts and those of others so that they may let their light shine!

Our whole school priorities are:

- To enhance and embed challenging learning for all pupils to improve outcomes for all pupils
- To improve curriculum coherence through effective leadership at all levels

Our Christian ethos underpins every aspect of day to day life within our school. To help achieve these aims, our school offers a happy, safe and welcoming atmosphere with strong and supportive relationships which nurture children and help them to learn, grow and flourish.

Children are encouraged to learn through high quality teaching and the effective use of resources in a secure,

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

safe and appropriately stimulating environment. Staff development is a priority and the school continually focussed on coaching, supporting and engaging staff in professional development tasks and activities to improve outcomes for pupils.

Children aim to be:

- kind and loving;
- respectful to all;
- focussed on their learning;
- the best that they can be!.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Parbold Douglas Church of England Primary Academy seeks to provide a well-rounded, broad and balanced education for all children to enable them to let their light shine! We have the highest expectations of pupil attainment, teacher performance and parental involvement and we encourage everyone to strive to be the best they can be in order to enjoy life in all its fullness. We seek challenge and embrace change in order to improve. To this end, the activities provided include:

- Coherent and thoughtful learning opportunities which build upon previous learning to support all pupils in achieving in line with or exceeding expectations in the EYFS, KS1 and KS2 statutory assessments,
- Focussed and supportive professional development opportunities for all staff,
- Annual performance management objectives for all staff
- Pupil engagement in leadership decisions through the use of pupil voice in a variety of ways,
- A broad, balanced and cohesive curriculum for all pupils which enables them to succeed,
- Opportunities for extended learning through the provision of extra curricular activities and enriching learning experiences,
- Opportunities for development for all staff to support succession planning in order to maintain consistent high standards in all aspects of the schools' work.
- Talent spotting of all pupils and encouraging and fostering the areas identified,
- A fully inclusive education, available to all.
- Provision for Governor/Director training

The School Development Plan sets out clear priorities for improvement across the school with a focus on impact and outcomes for pupils.

Staff wellbeing remains strong and the wellbeing team continue to meet to ensure staff are well supported in their roles. We aim for high outcomes for all pupils and meet with staff to monitor the progress of pupils. Attendance and punctuality targets of 97% remain in place.

c. PUBLIC BENEFIT

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

Analysis of pupil data and test results confirm that the governing body has utilised its financial resources, including the Pupil Premium Grant, to ensure that all children meet their full potential.

The Academy is also monitored through the completion and submission to the EFA of

- The annual abbreviated accounts record,
- The financial plan for the period 2018-2021
- The annual financial Management and Governance Evaluation,

b. REVIEW OF ACTIVITIES

The following Key Financial Performance (KPIs) have been achieved for the year ended 31 August 2019:

Reception percentage of children achieving a good level of development (GLD): 71.4%

Y1 Phonics screening: 80% pass (67% previous year)

Y2 Phonics resits: 100% (25% previous year)

Key Stage 1 Assessment Results:

	School % at expected standard	Provisional National average	School % at Greater Depth	Provisional National Average % at greater depth
Reading	76%	75%	24%	26%
Writing	64%	70%	28%	16%
Maths	88%	76%	24%	22%

Key Stage 2 Assessment Results 2018

	% Expected Standard	Provisional 2018 National average at expected standard	% at higher standard	Provisional 2018 National Average at higher standard	Average Scaled Score	2018 National Average Scaled Score
Reading	91%	73%	39%	27%	106.88	104
Writing	82%	78%	24%	20%		
Maths	85%	79%	27%	30%	105.15	105
Grammar, Punctuation and spelling	88%	78%	39%	36%	107.21	106
Reading/Writing/ Maths combined	76%	65%	40%	11%		

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

School Progress Measures

Reading +1.0 (confidence interval -1.1 to +3.1) which is not significantly different to the national average
Writing -1.2 (confidence interval -3.2 to +0.7) which is not significantly different to the national average
Maths -1.2 (confidence interval -3.1 to +0.6) which is not significantly different to the national average

Progress scores are centred around 0, with most schools in the range -5 to +5.

Attendance: 96.9%.

Numbers in school are 194

Parbold Douglas Nursery Ltd

Parbold Douglas Nursery Ltd numbers continue to be maintained to meet capacity and ratios and support the Reception intake.

Duggies

The number of children attending the Duggies before and after school club continues to increase and a focus on developing the provision to ensure we cater for requirement to a high standard is ongoing.

Teaching School

This year 6 Associate teachers have been awarded qualified teacher with PGCE with Qualified Teacher Status and 5 have secured teaching posts in September. The teaching school has worked in conjunction with Edge Hill University who validate the PGCE.

This has been a particularly successful year in terms of a rebrand of our Teaching School which is now known as Shining Lights Teaching School Alliance and there is a strong group of core strategic partners of schools who support the work of the wider alliance. CPD and school to school support is offered and well received. For the coming year (2019-2020), we will be working with the University of Cumbria who will validate our PGCE and we have 14 associate teachers on our revised programme.

Financial review

a. GOING CONCERN

The Academy is aware that three year forecasts show a deficit budget, reducing over time. The nursery continues to perform very well and is predicted to maintain this level of income. This income ensures the deficit budget is manageable over time and plans to reduce this deficit are in place, to ensure longer term financial stability.

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

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy's financial objectives are:

- To set and operate within an agreed and balanced budget,
- To generate extra income through our development of the Parbold Douglas Teaching School
- To apply at all times, best value principles in all purchases,
- To monitor and evaluate the value for money of all staff,
- To prevent all areas of wastage.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

c. PRINCIPAL RISKS AND UNCERTAINTIES

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

Based on its mission, the Resources Committee undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific, preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed termly by the Resources Committee and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The following principal risks were identified:

1. Failure to attract pupils to Reception Class. This is an ongoing priority. We promote a seamless transition process from our nursery to the infant section. We continue to market our school through developing our presence in the community and sharing the high standards of learning and achievement in our school. We have been successful to the extent that applications exceeded our admission number of 30 pupils, however this number decreased due to family moves and applications to more than one authority.

d. RESERVES POLICY

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of free reserves should be equivalent to three years planned deficit budgets plus £50k emergency contingencies. For year ending 31st August 2019 this equates to £262,248. The reason for this is to provide sufficient working capital to cover expected budget income received and expected planned expenditure for this given period, along with unexpected general maintenance.

e. MATERIAL INVESTMENTS POLICY

The Academy holds surplus cash balances on short fixed term deposits with Royal Bank of Scotland Bank. During the period the academy acquired 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

Plans for future periods

a. FUTURE DEVELOPMENTS

School Development Priorities 2018-2019

To develop our distinctive Christian character so that all God's children are valued and our children experience life in all its fullness

To develop all children as confident and articulate communicators – phonics and writing focus

To develop children's resilience and problem solving skills to enable them to be creative thinkers – maths and science focus

FUNDS HELD AS CUSTODIAN

There are no funds held as Custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

AUDITOR

Crowe UK are willing to continue in office and a decision on this will be made at the Annual General Meeting.

This report was approved by order of the board of trustees as the company directors, on 12 December 2019 and signed on its behalf by:



Mrs N Watts, Head Teacher
Headteacher, Accounting Officer, Ex Officio

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Parbold Douglas 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 trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Parbold Douglas Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr K Hailwood, Foundation Governor & Chair of Resources Committee	4	4
Mrs K Baybut, Foundation Governor & Chair Standards Committee	4	4
Mr J. Baker, Foundation Governor & Chair of Premises, Health & Safety	4	4
Mrs A Jones, Foundation Governor	4	4
Mrs J Santi, Foundation Governor	3	4
Mr G Carruthers, Foundation Governor, Vice of Governors (appointed 19 September 2019)	4	4
Mrs S Rowland, Parent Governor	3	4
Mrs H C Collinson, Parent Governor	3	4
Rev. S Timmins, Foundation Governor	2	4
Mrs N Watts, Head Teacher	4	4
Mrs J Eccles, Staff Governor	4	4
Mr S Jerath, Staff Governor	3	4
Dr E Gill, Chair of Governors	3	4
Mrs H Wainwright, Staff Governor (appointed 19 September 19)	0	0
Mrs J MacRae, Parent Governor (appointed 26 September 19)	0	0
Mrs C Britner, Parent Governor (appointed 26 September 19)	0	0

The full Governing body has determined that is it able to convene on a termly basis and maintain effective oversight, particularly as the Chair of Governors meets regularly with the Headteacher to monitor progress and is kept informed of any pressing matters which may arise from time to time. In addition the Governing sub committees meet termly. Governors receive monthly reports relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the School. Email communications have continued to prove to be an effective way in which to keep Governors informed between meetings, and when necessary the Governors hold additional meetings outside of its planned schedule. This practice will be repeated in future, if required. Governors are also encouraged to visit the school to meet with Headteacher or other staff, to observe classes, or simply to observe aspects of the normal school day.

The Audit Committee is also a sub-committee of the main board of trustees.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr K Hailwood	3	3
Mr J Baker	3	3
Mrs K Baybut	2	3
Mrs H C Collinson	1	1
Mrs A Jones	3	3
Dr E Gill	3	3
Mrs N Watts	3	3
Mrs J Santi	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 trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Obtaining a CIF grant to improve the flood defences. The contract was awarded following a tendering process, which will continue across the end of the financial year.
- Quotations for ICT updates.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parbold Douglas 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 trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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 trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly management

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- accounts which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Julie McDonald (FCCA) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a termly basis, the auditor reports to the board of trustees through the Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

All internal audit reports were received by the Governor's at the appropriate times.
The internal auditor has delivered the schedule of work as planned, checked details of any material control issues. No such issues were identified.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2019 and signed on their behalf, by:


Dr E Gill
Chair of Governors


Mrs N Watts
Accounting Officer

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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



Mrs N Watts
Accounting Officer

Date: 12 December 2019

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 the group 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 group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:



Dr E Gill
Chair of Governors

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

OPINION

We have audited the financial statements of Parbold Douglas Church of England Academy (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated 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 group's and of the parent academy's affairs as at 31 August 2019 and of the group's 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 and the Charities Act 2011, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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 group's or the parent academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report (covers the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement) (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), other than the financial statements

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Group Strategic Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Group 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:

- the parent academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' responsibilities, 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 group's and the parent 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 group or the parent academy or to cease operations, or have no realistic alternative but to do so.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date:

17th December 2019

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2017 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 Parbold Douglas 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 Parbold Douglas 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 Parbold Douglas Church of England Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Parbold Douglas Church of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Parbold Douglas Church of England Academy's funding agreement with the Secretary of State for Education dated 1 August 2011, 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

CONCLUSION

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



Vicky Szulist

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date:

17th December 2019

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

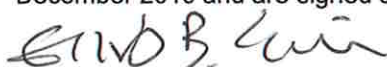
	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	-	-	16,280	16,280	318,234
Charitable activities	6	50,736	818,276	-	869,012	932,743
Teaching schools	30	-	55,431	-	55,431	78,104
Other trading activities	4	371,674	-	-	371,674	348,524
Investments	5	1,800	-	-	1,800	278
TOTAL INCOME		424,210	873,707	16,280	1,314,197	1,677,883
EXPENDITURE ON:						
Parbold Douglas Nursery Limited		230,201	-	-	230,201	210,272
Charitable activities		32,062	911,871	80,491	1,024,424	979,481
Teaching schools	30	-	73,819	-	73,819	120,004
TOTAL EXPENDITURE	9	262,263	985,690	80,491	1,328,444	1,309,757
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	161,947 (42,568)	(111,983) 42,568	(64,211) -	(14,247) -	368,126 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		119,379	(69,415)	(64,211)	(14,247)	368,126
Actuarial gains / (losses) on defined benefit pension schemes	25	-	(171,000)	-	(171,000)	109,000
NET MOVEMENT IN FUNDS		119,379	(240,415)	(64,211)	(185,247)	477,126
RECONCILIATION OF FUNDS:						
Total funds brought forward		369,137	78,492	3,067,083	3,514,712	3,037,586
TOTAL FUNDS CARRIED FORWARD		488,516	(161,923)	3,002,872	3,329,465	3,514,712

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07713512

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	14		2,951,870		2,845,360
CURRENT ASSETS					
Debtors	16	60,421		114,807	
Cash at bank and in hand		950,572		980,852	
		<u>1,010,993</u>		<u>1,095,659</u>	
CREDITORS: amounts falling due within one year	17	(86,429)		(89,655)	
NET CURRENT ASSETS			<u>924,564</u>		<u>1,006,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,876,434</u>		<u>3,851,364</u>
CREDITORS: amounts falling due after more than one year	18		<u>(18,969)</u>		<u>(5,652)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,857,465</u>		<u>3,845,712</u>
Pension scheme liability	25		<u>(528,000)</u>		<u>(331,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,329,465</u></u>		<u><u>3,514,712</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	20	366,077		409,492	
Restricted fixed asset funds	20	3,002,872		3,067,083	
Restricted income funds excluding pension liability		<u>3,368,949</u>		<u>3,476,575</u>	
Pension reserve		<u>(528,000)</u>		<u>(331,000)</u>	
Total restricted income funds			<u>2,840,949</u>		<u>3,145,575</u>
Unrestricted income funds	20		<u>488,516</u>		<u>369,137</u>
TOTAL FUNDS			<u><u>3,329,465</u></u>		<u><u>3,514,712</u></u>

The financial statements on pages 21 to 50 were approved by the Governors, and authorised for issue, on 12 December 2019 and are signed on their behalf, by:



Dr E Gill
Chair of Governors

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07713512

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	14		2,951,870		2,845,360
Investments	15		12,000		12,000
			<u>2,963,870</u>		<u>2,857,360</u>
CURRENT ASSETS					
Debtors	16	165,829		218,215	
Cash at bank		825,391		852,705	
		<u>991,220</u>		<u>1,070,920</u>	
CREDITORS: amounts falling due within one year	17	<u>(78,581)</u>		<u>(76,916)</u>	
NET CURRENT ASSETS			<u>912,639</u>		<u>994,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,876,509</u>		<u>3,851,364</u>
CREDITORS: amounts falling due after more than one year	18		<u>(18,969)</u>		<u>(5,652)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,857,540</u>		<u>3,845,712</u>
Defined benefit pension scheme liability	25		<u>(528,000)</u>		<u>(331,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>3,329,540</u>		<u>3,514,712</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds		366,077		374,072	
Restricted fixed asset funds		3,002,872		3,067,083	
Restricted funds excluding pension asset		<u>3,368,949</u>		<u>3,441,155</u>	
Pension reserve		<u>(502,000)</u>		<u>(331,000)</u>	
Total restricted funds			<u>2,866,949</u>		<u>3,110,155</u>
Unrestricted funds			<u>462,591</u>		<u>404,557</u>
TOTAL FUNDS			<u>3,329,540</u>		<u>3,514,712</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2019

The financial statements were approved by the Governors, and authorised for issue, on 12 December 2019 and are signed on their behalf, by:



Dr E Gill
Chair of Governors

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>149,368</u>	<u>52,684</u>
Cash flows from investing activities:			
Returns on investments and servicing of finance		1,800	278
Purchase of tangible fixed assets		(181,448)	(93,959)
Capital grants from DfE Group		-	318,234
Net cash (used in)/provided by investing activities		<u>(179,648)</u>	<u>224,553</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>980,852</u>	<u>703,615</u>
Cash and cash equivalents carried forward	23	<u><u>950,572</u></u>	<u><u>980,852</u></u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Parbold Douglas Church of England Academy constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

1.2 Fund accounting

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

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

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

The 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern as described in the Governors' Report, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.6 Basis of consolidation

The financial statements consolidate the accounts of Parbold Douglas Church of England Academy and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	50 years
Leasehold improvements	-	Between 3 and 8 years
Fixtures, fittings and equipment	-	Between 3 and 4 years
Computer equipment	-	3 years
Boiler inc. in leasehold improvements	-	25 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.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Operating leases

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Taxation

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

1.11 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.

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2019.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Devolved Formula Capital allocations	-	16,280	16,280	6,464
Condition Improvement Fund (CIF)	-	-	-	311,770
	<hr/>	<hr/>	<hr/>	<hr/>
	-	16,280	16,280	318,234
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	-	318,234	318,234	
	<hr/>	<hr/>	<hr/>	

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising Income	2,787	-	2,787	297
Lettings Income	2,900	-	2,900	2,723
Disposal of Computer Equipment	-	-	-	4,459
Parbold Douglas Nursery Limited	365,987	-	365,987	341,045
	<u>371,674</u>	<u>-</u>	<u>371,674</u>	<u>348,524</u>
<i>Total 2018</i>	<u>348,524</u>	<u>-</u>	<u>348,524</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	1,800	-	1,800	278
	<u>1,800</u>	<u>-</u>	<u>1,800</u>	<u>278</u>
<i>Total 2018</i>	<u>278</u>	<u>-</u>	<u>278</u>	

6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funding for educational operations	50,736	818,276	869,012	932,743
	<u>50,736</u>	<u>818,276</u>	<u>869,012</u>	<u>932,743</u>
<i>Total 2018</i>	<u>55,881</u>	<u>876,862</u>	<u>932,743</u>	

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	730,209	730,209	779,150
LACSEG SEN Funding	-	7,415	7,415	22,025
Pupil Premium	-	19,778	19,778	18,407
	-	757,402	757,402	819,582
Other government grants				
Other government grants	-	25,468	25,468	21,860
	-	25,468	25,468	21,860
Other funding				
School Meal Income	577	33,296	33,873	36,023
School Trip Income	27,626	-	27,626	11,867
After School Club Income	-	-	-	198
Other School Income	22,533	2,110	24,643	43,213
	50,736	35,406	86,142	91,301
	50,736	818,276	869,012	932,743
<i>Total 2018</i>	55,881	876,862	932,743	

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

7. DIRECT COSTS

	Funding for educational operations £	Total 2019 £	Total 2018 £
Educational Supplies	58,685	58,685	58,852
School uniform costs	-	-	773
Staff development	8,591	8,591	7,317
School trips	19,697	19,697	19,414
Wages and salaries	419,100	419,100	365,722
National insurance	32,696	32,696	29,329
Pension cost	72,634	72,634	66,209
	<u>611,403</u>	<u>611,403</u>	<u>547,616</u>
<i>Total 2018</i>	<u>547,616</u>	<u>547,616</u>	

8. SUPPORT COSTS

	Funding for educational operations £	Total 2019 £	Total 2018 £
Maintenance of premises and equipment	41,474	41,474	32,992
Light & heat	14,960	14,960	17,284
Rent & rates	7,984	7,984	14,238
Insurance	5,506	5,506	8,341
Travel expense	296	296	560
Printing, Photocopying and Stationery	10,019	10,019	10,846
Telephone	3,035	3,035	5,748
Cleaning	2,410	2,410	1,909
Catering	36,365	36,365	35,035
IT Support costs	15,922	15,922	25,035
Legal & professional	24,005	24,005	22,145
Subscriptions	484	484	99
Governance Costs	15,230	15,230	14,561
Other support costs	7,454	7,454	4,316
Wages and salaries	67,048	67,048	64,003
National insurance	34,269	34,269	33,813
Pension cost	46,069	46,069	51,975
Depreciation	80,491	80,491	88,965
	<u>413,021</u>	<u>413,021</u>	<u>431,865</u>
<i>Total 2018</i>	<u>431,865</u>	<u>431,865</u>	

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

8. SUPPORT COSTS (continued)

During the year ended 31 August 2019, the academy incurred the following Governance costs:

	2019 £	2018 £
Auditor's remuneration	10,780	10,253
Clerking Services	2,850	2,975
Internal Auditor Visits	600	400
Pension Scheme Valuation Fees	nil	933

9. EXPENDITURE

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Parbold Douglas Nursery Limited					
Direct costs	-	-	230,201	230,201	210,272
Support costs	-	-	-	-	-
Funding for education:					
Direct costs	525,594	-	85,809	611,403	547,616
Support costs	146,222	144,147	122,652	413,021	431,865
Teaching schools	33,601	-	40,218	73,819	120,004
	<u>705,417</u>	<u>144,147</u>	<u>478,880</u>	<u>1,328,444</u>	<u>1,309,757</u>
<i>Total 2018</i>	<u>694,745</u>	<u>131,284</u>	<u>483,728</u>	<u>1,309,757</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	80,491	88,965
Auditor's remuneration - audit	8,000	6,850
Auditor's remuneration - other services	3,350	3,403
Governance Internal audit costs	600	400
	<u>92,441</u>	<u>100,618</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	501,124	484,768
Social security costs	72,030	70,163
Operating costs of defined benefit pension schemes	126,154	128,509
	699,308	683,440
Agency staff costs	6,109	11,305
	705,417	694,745

b. Non-statutory/non-contractual staff severance payments

No non-statutory payments were incurred during the year.

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	11	10
Education support	11	10
Other support	4	5
	26	25

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 Headteacher and Deputy Headteacher. During the year, Key Management personnel received total employee benefits of £114,997 (2018: £108,932) .

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

12. 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 principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2019	<i>2018</i>
		£	£
Mr S Jerath (Staff Governor)	Remuneration	25,000-30,000	<i>20,000-25,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>
Mrs N Watts (Headteacher and Governor)	Remuneration	55,000-60,000	<i>50,000-55,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Miss J Eccles (Staff Governor)	Remuneration	30,000-35,000	<i>25,000-30,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>

During the year ended 31 August 2019, no Governors received any reimbursement of expenses (2018 - £NIL).

13. GOVERNORS' AND OFFICERS' INSURANCE

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

14. TANGIBLE FIXED ASSETS

Group and Academy	Leasehold property £	Leasehold improvements £	Furniture and fixtures £	Assets under construction £	Total £
Cost					
At 1 September 2018	2,600,000	511,526	5,224	93,959	3,210,709
Additions	-	17,933	-	169,068	187,001
Transfer between classes	-	68,291	-	(68,291)	-
At 31 August 2019	<u>2,600,000</u>	<u>597,750</u>	<u>5,224</u>	<u>194,736</u>	<u>3,397,710</u>
Depreciation					
At 1 September 2018	262,083	98,042	5,224	-	365,349
Charge for the year	37,000	43,491	-	-	80,491
At 31 August 2019	<u>299,083</u>	<u>141,533</u>	<u>5,224</u>	<u>-</u>	<u>445,840</u>
Net book value					
At 31 August 2019	<u>2,300,917</u>	<u>456,217</u>	<u>-</u>	<u>194,736</u>	<u>2,951,870</u>
At 31 August 2018	<u>2,337,917</u>	<u>413,484</u>	<u>-</u>	<u>93,959</u>	<u>2,845,360</u>

15. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
At 1 September 2018 and 31 August 2019	<u>12,000</u>

The academy owns 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

16. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	6,711	5,997	-	-
Amounts owed by group undertakings	-	-	113,819	109,405
Other debtors	5,571	1,647	5,205	1,647
Prepayments and accrued income	48,139	107,163	46,805	107,163
	<u>60,421</u>	<u>114,807</u>	<u>165,829</u>	<u>218,215</u>

17. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2019	2018	2019	2018
	£	£	£	£
Other loans	5,128	1,541	5,128	1,541
Trade creditors	1,460	2,574	1,410	2,574
Other taxation and social security	-	243	-	243
Other creditors	10,371	14,089	4,573	4,179
Accruals and deferred income	69,470	71,208	67,470	68,379
	<u>86,429</u>	<u>89,655</u>	<u>78,581</u>	<u>76,916</u>

	<u>Group</u>		<u>Academy</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 September 2018	20,011	29,894	20,011	29,894
Resources deferred during the year	18,598	20,011	20,078	20,011
Amounts released from previous years	(20,011)	(29,894)	(20,011)	(29,894)
Deferred income at 31 August 2019	<u>18,598</u>	<u>20,011</u>	<u>20,078</u>	<u>20,011</u>

Deferred income relates to free school meals and lettings income.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

18. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Academy</u>	
	2019 £	2018 £	2019 £	2018 £
Other loans	18,969	5,652	18,969	5,652

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Academy</u>	
	2019 £	2018 £	2019 £	2018 £
Repayable by instalments	18,969	5,652	18,969	5,652

The funding for the CIF project was part funded through an interest-free Salix energy efficiency loan. Loan funding is calculated up to a maximum of an 8-year payback and will be recovered by a reduction in the monthly General Annual Grant (GAG) payments issued by the Education and Skills Funding Agency. An additional Salix loan was entered into during the year with the same terms as above.

19. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets measured at amortised cost	976,689	1,050,665
Financial liabilities measured at amortised cost	77,904	50,126

Financial assets measured at amortised costs within the academy are £844,431 (2018: £918,730).
Financial liabilities measured at amortised costs within the academy are £70,056 (2018: £43,384).

Financial assets consist of cash, trade debtors, amounts owed by group undertakings and other debtors.
Financial liabilities consist of trade creditors, other creditors and accruals.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	369,137	424,210	(262,263)	(42,568)	-	488,516
Restricted funds						
General Annual Grant (GAG)	384,762	730,209	(799,839)	(227,506)	-	87,626
LACSEG SEN Funding	-	7,415	(7,415)	-	-	-
Pupil Premium	-	19,778	(19,778)	-	-	-
Other government grants	-	25,468	(25,468)	-	-	-
School Direct	24,730	15,431	(11,710)	-	-	28,451
Teaching School Funding	-	42,110	(62,184)	20,074	-	-
Free school meals	-	33,296	(33,296)	-	-	-
Designated fund	-	-	-	250,000	-	250,000
Pension reserve	(331,000)	-	(26,000)	-	(171,000)	(528,000)
	<u>78,492</u>	<u>873,707</u>	<u>(985,690)</u>	<u>42,568</u>	<u>(171,000)</u>	<u>(161,923)</u>
Restricted fixed asset funds						
Transfer of Building	2,808,448	-	(80,491)	-	-	2,727,957
Devolved Formula Capital	10,308	16,280	-	-	-	26,588
Fixtures and fittings	26,604	-	-	-	-	26,604
Condition Improvement Fund (CIF)	221,723	-	-	-	-	221,723
	<u>3,067,083</u>	<u>16,280</u>	<u>(80,491)</u>	<u>-</u>	<u>-</u>	<u>3,002,872</u>
Total restricted funds	<u>3,145,575</u>	<u>889,987</u>	<u>(1,066,181)</u>	<u>42,568</u>	<u>(171,000)</u>	<u>2,840,949</u>
Total of funds	<u><u>3,514,712</u></u>	<u><u>1,314,197</u></u>	<u><u>(1,328,444)</u></u>	<u><u>-</u></u>	<u><u>(171,000)</u></u>	<u><u>3,329,465</u></u>

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

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy. Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy. Unrestricted Funds are those other resources which may be used to further the objectives of the Academy.

A transfer from unrestricted funds to the Teaching School Fund was made to cover additional expenditure for core teaching school costs that was not covered by the grant funding.

A designated fund of £250,000 has been set aside for the rebuilding of the temporary classroom space to

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS (continued)

become a permanent building. We aim to complete these works within a maximum 3 year period with initial planning works commencing early 2019/20.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2019. Note 2 discloses whether the limit was exceeded.

STATEMENT OF FUNDS - PRIOR YEAR

	<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>
	£	£	£	£	£	£
General Funds	251,559	404,683	(220,475)	(66,630)	-	369,137
Restricted funds						
General Annual Grant (GAG)	366,342	779,150	(749,601)	(11,129)	-	384,762
LACSEG SEN Funding	-	22,025	(22,025)	-	-	-
Pupil Premium	-	18,407	(18,407)	-	-	-
Other government grants	-	21,860	(21,860)	-	-	-
School Direct	-	37,000	(12,270)	-	-	24,730
Teaching School Funding	-	41,104	(107,734)	66,630	-	-
Free school meals	-	35,420	(35,420)	-	-	-
Pension reserve	(407,000)	-	(33,000)	-	109,000	(331,000)
	<u>(40,658)</u>	<u>954,966</u>	<u>(1,000,317)</u>	<u>55,501</u>	<u>109,000</u>	<u>78,492</u>
Restricted fixed asset funds						
Transfer of Building	2,447,903	-	(88,965)	449,510	-	2,808,448
Devolved Formula Capital	6,396	6,464	-	(2,552)	-	10,308
Fixtures and fittings	12,923	-	-	13,681	-	26,604
Condition Improvement Fund (CIF)	359,463	311,770	-	(449,510)	-	221,723
	<u>2,826,685</u>	<u>318,234</u>	<u>(88,965)</u>	<u>11,129</u>	<u>-</u>	<u>3,067,083</u>
Total restricted funds	<u>2,786,027</u>	<u>1,273,200</u>	<u>(1,089,282)</u>	<u>66,630</u>	<u>109,000</u>	<u>3,145,575</u>
Total of funds	<u>3,037,586</u>	<u>1,677,883</u>	<u>(1,309,757)</u>	<u>-</u>	<u>109,000</u>	<u>3,514,712</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	5,970	-	2,945,900	2,951,870
Current assets	587,944	366,077	56,972	1,010,993
Creditors due within one year	(86,429)	-	-	(86,429)
Creditors due in more than one year	(18,969)	-	-	(18,969)
Provisions for liabilities and charges	-	(528,000)	-	(528,000)
	<u>488,516</u>	<u>(161,923)</u>	<u>3,002,872</u>	<u>3,329,465</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	2,845,360	2,845,360
Current assets	464,444	409,492	221,723	1,095,659
Creditors due within one year	(89,655)	-	-	(89,655)
Creditors due in more than one year	(5,652)	-	-	(5,652)
Provisions for liabilities and charges	-	(331,000)	-	(331,000)
	<u>369,137</u>	<u>78,492</u>	<u>3,067,083</u>	<u>3,514,712</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

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

	2019	Group
	£	2018
		£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(14,247)	368,126
Adjustment for:		
Depreciation charges	80,908	88,965
Returns on investments and servicing of finance	(1,800)	(278)
Decrease in debtors	54,310	7,702
Increase/(decrease) in creditors	4,197	(126,597)
FRS 17 pension finance income	26,000	33,000
Capital grants from DfE and other capital income	-	(318,234)
Net cash provided by operating activities	149,368	52,684

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	Group
	£	2018
		£
Cash at bank	950,572	980,852
Total	950,572	980,852

24. CONTINGENT LIABILITIES

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

25. PENSION COMMITMENTS

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

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

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £58,646 (2018 - £46,206) and at the year-end NIL (2018 - £NIL) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Local Government Pension Scheme - Lancashire County Pension Fund

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £52,000 (2018 - £49,000), of which employer's contributions totalled £41,000 (2018 - £39,000) and employees' contributions totalled £11,000

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

(2018 - £10,000). The agreed contribution rates for future years are 16.1% for employers and 5.8% for employees.

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

Principal actuarial assumptions:

	2019	<i>2018</i>
Discount rate for scheme liabilities	1.80 %	<i>2.80 %</i>
Rate of increase in salaries	3.60 %	<i>3.60 %</i>
Rate of increase for pensions in payment / inflation	2.20 %	<i>2.20 %</i>
Inflation assumption (CPI)	2.10 %	<i>2.10 %</i>

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

	2019	<i>2018</i>
Retiring today		
Males	22.8	<i>22.7</i>
Females	25.5	<i>25.4</i>
Retiring in 20 years		
Males	25.1	<i>25.0</i>
Females	28.2	<i>28.0</i>

	At 31 August	<i>At 31 August</i>
	2019	<i>2018</i>
	£	<i>£</i>
Sensitivity analysis		
Discount rate +0.1%	1,235,000	<i>891,000</i>
Mortality assumption - 1 year increase	1,284,000	<i>926,000</i>
CPI rate +0.1%	1,288,000	<i>929,000</i>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2019	<i>Fair value at 31 August 2018</i>
	£	£
Equities	333,000	254,000
Government bonds	-	20,000
Other bonds	11,000	3,000
Property	62,000	53,000
Cash and other liquid assets	13,000	5,000
Other	280,000	243,000
	<hr/>	<hr/>
Total market value of assets	699,000	578,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £78,000 (2018 - £32,000).

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

	2019	<i>2018</i>
	£	£
Opening defined benefit obligation	909,000	914,000
Employee contributions	11,000	10,000
Actuarial losses/(gains)	232,000	(90,000)
Interest cost	25,000	22,000
Current service cost	58,000	62,000
Past service costs	34,000	-
Benefits paid	(8,000)	(9,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,261,000	909,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2019	<i>2018</i>
	£	£
Opening fair value of scheme assets	578,000	507,000
Interest income	17,000	13,000
Actuarial gains	61,000	19,000
Employee contributions	11,000	10,000
Benefits paid	(8,000)	(9,000)
Administrative expenses	(1,000)	(1,000)
Contribution by employer	41,000	39,000
	<hr/>	<hr/>
Closing fair value of scheme assets	699,000	578,000
	<hr/> <hr/>	<hr/> <hr/>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group and Academy	2019	2018
	£	£
Amounts payable:		
Within 1 year	8,258	9,056
Between 1 and 5 years	6,274	14,733
Total	14,532	23,789

27. RELATED PARTY TRANSACTIONS

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

All related party transactions are in line with the Academies Financial Handbook and Academies Accounts Direction 2018/19.

The academy has utilised the exemption in FRS 102 not disclose transactions with wholly owned group companies.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

28. PRINCIPAL SUBSIDIARIES

Parbold Douglas Nursery Limited

Subsidiary name	Parbold Douglas Nursery Limited
Company registration number	08466952
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2019	£ 133,592
Total liabilities as at 31 August 2019	£ (121,592)
Total equity as at 31 August 2019	£ (12,000)
Turnover for the year ended 31 August 2019	£ 365,987
Expenditure for the year ended 31 August 2019	£ (256,762)
Result for the year ended 31 August 2019	£ -

The result for the year ended 31 August 2019 is shown after a corporate gift aid distribution of £109,225. The registered office is the same as the Academy Trust.

29. 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.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

30. TEACHING SCHOOL TRADING ACCOUNT

	2019 £	2019 £	2018 £	2018 £
INCOME				
DIRECT INCOME				
Teaching School	42,110		41,104	
Schools Direct	15,431		37,000	
	<hr/>		<hr/>	
TOTAL DIRECT INCOME	57,541		78,104	
TOTAL INCOME		57,541		78,104
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	30,601		79,996	
Schools Direct	11,710		12,270	
Books and Consumables	291		79	
Event Costs	178		145	
	<hr/>		<hr/>	
TOTAL DIRECT EXPENDITURE	42,780		92,490	
OTHER EXPENDITURE				
Other staff costs	3,000		3,698	
Admin Expenses	2,367		330	
Staff Training	1,762		8	
Travel	631		574	
Marketing	350		1,157	
Infrastructure Costs	22,929		21,747	
Other expenditure	75		-	
	<hr/>		<hr/>	
TOTAL OTHER EXPENDITURE	31,114		27,514	
TOTAL EXPENDITURE		73,894		120,004
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION		20,074		66,630
		<hr/>		<hr/>
SURPLUS FROM ALL SOURCES		3,721		24,730
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2018		24,730		-
		<hr/>		<hr/>
TEACHING SCHOOL BALANCES AT 31 AUGUST 2019		<u>28,451</u>		<u>24,730</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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