

Gillotts School

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

GILLOTTTS SCHOOL

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the financial statements	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 - 52

GILLOTTS SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Catharine Darnton	(Headteacher and Accounting Office)
David Gorsuch	(Chair of Governors)
Kate Holden	(Chair of Finance & Resources Committee from 04.12.18)
Sue White	(Chair of Personnel Committee)
Nigel Hawkins	(Chair of Curriculum and Student Progress Committee from 04.12.18)

Trustees

Catharine Darnton	(Headteacher and Accounting Office)
David Gorsuch	(Chair of Governors)
Daniel Bond	
Carol Brown	(Staff Governor)
Satwant Deol	
David Edwards	
Karen Edwards	
Leonora Ellerby	
Marie Finch	(Appointed 15.12.18)
Nigel Hawkins	
Kate Holden	
Emma Hunt	(Appointed 15.10.19)
Karen Jones	
James Langdon	
Rosemary McKisack	(Staff Governor appointed 04.09.19)
Alison Michael	(Staff Governor appointed 04.09.19)
John Print	(End of term 13.11.18)
Hayley Rogers	(Resigned 31.08.19)
Barry Taylor	(Resigned 21.10.18)
Wil Schoenmakers	(Appointed 15.12.18)
Bernd Vogel	(Appointed 15.10.19)
Susan White	

Company Secretary

Glynis Smith

Senior Management Team

Catharine Darnton	(Headteacher)
Edward Newbold	(Deputy Headteacher)
Sarah McHugh	(Assistant Headteacher)
Matthew Druce	(Assistant Headteacher)
Glynis Smith	(Business Manager)

Company Name

Gillotts School

Principal and Registered Office

Gillotts Lane, Henley-on-Thames, Oxon RG9 1PS

Company Registered Number

07954417 (England and Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

GILLOTTS SCHOOL
(A company limited by guarantee)

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

Bankers

Lloyds Bank plc, Henley-on-Thames Branch, PO Box 1000, BX1 1LT

Solicitors

Stone King LLP, 16 St John's Lane, London, EC1M 4BS

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

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Henley-on-Thames. It has a pupil capacity of **900** and had a roll of **889** in the school census on **03 October 2019**.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Gillotts School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Gillotts.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £230.41

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, the Academy Trust has determined there shall be 20 governors. These comprise the Headteacher, 3 further members of staff (one of whom is a member of the support staff) elected by the staff, 6 parent governors elected by parents and carers (or, in default, appointed by the other governors), and 10 co-opted governors appointed by the Academy Trust.

Nominations for election for staff and parent governors are carried out by letter to all those eligible to stand. The elections themselves are carried out by private written ballot. In appointing co-opted governors the Academy Trust seeks to appoint persons whose experience and skills will complement the governing body as a whole. All co-opted governors are appointed following recommendations to the Academy Trust, an introductory meeting and/or interview conducted by the Chair of Governors and at least one other member of the Trust, a formal recommendation and vote by the members of the Academy Trust

At 31 August 2019, there were three vacancies for a co-opted governor and two vacancies for a staff governor.

Policies and Procedures Adopted for the Induction and Training of Trustees

Gillotts School currently uses the Governor Training Services provision of Oxfordshire County Council which carries out most governors training for the school.

The induction programme for governors comprises the provision of a comprehensive induction pack, a visit and tour of the school (including a meeting with the Headteacher) and enrolment on the Governance Introductory Course provided by Oxfordshire County Council. Further training of governors is considered regularly by the governing body's policy and planning group which makes periodic recommendations to the governing body and individual governors. In 2012, the governors completed an NGA Skills Audit, the results of which are being used to inform ongoing governor training. This is updated on an ongoing basis.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The governors are responsible for the strategic direction of the School and for the appointment of the Headteacher. They have delegated management of the School to the Headteacher. The Headteacher is the Accounting Officer.

At Gillotts School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees, as defined in the terms of reference of the committees.

Arrangements for setting pay and remuneration of key management personnel

The school abides by the statutory requirements for teachers' pay and conditions. The Headteacher's performance is reviewed independently each year, the deputy and assistant head teachers progress within a predetermined pay scale. As a member of the support staff, the Business Manager's post has been evaluated by the job evaluation team at Oxfordshire County Council and is paid according to the Local Government pay arrangement in conjunction with the National Joint Council pay and conditions.

Trustees are not remunerated.

Trade union facility time.

Although there are no union officials at the school who were released and their release paid for, we do make a payment to OCC to contribute to the release costs of all county representatives so the schools where they are employed are not having to take on the full financial burden of releasing their staff.

Related Parties and other Connected Charities and Organisations

Gillotts collaborates with feeder primaries and has formed a Limited Company with local primary schools, Henley Partnership of Schools to further support this collaboration. Gillotts works with the secondary consortium which includes other local 11-16 schools as well as The Henley College. Gillotts is also part of the Oxfordshire Teaching Schools Alliance (OTSA).

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Gillotts School to provide education for students between the ages of 11 and 16.

Objectives, Strategies and Activities

In conversion to academy status the Governing Body determined to maintain the traditional ethos, values, standards and achievements of the school, whilst continuing to work to fulfil the school's medium and long term development plans.

The aims of the school rest on the following ethos and values:

- As individuals, we value everyone as an individual, capable of growth, change and development; self-respect; self-belief; courage, humour; honesty; integrity; dedication; commitment; generosity of spirit; flexibility; vision; initiative; open-mindedness
- In our professional relationships with each other, we value all staff, whatever their role; clarity in determining roles and responsibilities; respect for the unique contribution of different parts of the curriculum; effective communication; transparency; teamwork; good timekeeping; pride in our achievements; professional development; confidence in each other's support
- In our relationships with our students, we value justice; equality; mutual respect; fairness; consistency; courtesy; high expectations; trust; achievement
- In the experience of learning in our school, we value the joy of learning; creativity; a spirit of enquiry; risk-taking; exploration of ideas; challenge; raising aspiration; inclusion; hard work; celebration of achievement; freedom to express ideas and views; opportunities for reflection; sense of purpose; inventiveness; independence; rigour; mistakes as means of learning

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

Objectives, Strategies and Activities (continued)

- In our capacity as a community school, we value partnership with parents, governors and the wider community; lifelong learning; human rights; preparing young people to become effective, responsible citizens; skills for life and for work
- In our environment, we value an atmosphere conducive to learning; safety; respect for property; healthy living

Gillotts is a high performing, innovative school where every student is valued as an individual, and is supported and encouraged to achieve their potential. We pride ourselves on being inclusive of all, developing academic achievers and individuals who make a positive contribution to society now and in their future lives.

The primary function of the school is to serve its students and the local community in the best possible way. Bearing this in mind, together with the overall target of being assessed as an Outstanding School by Ofsted, the Governing Body and the School will work together:

- Aim 1: To maximise achievement through effective and inspiring teaching
- Aim 2: To maintain a distinctive curriculum offer tailored to the needs of our students, ensuring that 21st century technology is used effectively to support teaching and learning
- Aim 3: To promote personal development by the provision of outstanding support and guidance
- Aim 4: To provide a built environment fit for the purpose of 21st century teaching and learning
- Aim 5: To promote Gillotts' position as Henley's first class community school

In this reporting period, the school has used a variety of measures to assess its success in achieving its stated aims and objects. In relation to Aim 1, the school has been in the top quartile of all schools in the country for the last seven years, in terms of the progress its students make. In 2019, 84% of students achieved grade 4 or better in both English and mathematics GCSEs, and 62% grade 5 or better. 36% of students achieved the English Baccalaureate at grade 5+. The school's progress 8 score was 0.58. In relation to the other aims, the school was last inspected by Ofsted in April 2016. The inspectors concluded:

'The leadership team has maintained the good quality of education in the school since the last inspection. You have continued to raise standards and have tackled the areas for improvement well. You have worked very effectively with your governors to manage a challenging financial position and made sure that the school continues to function well.'

One pupil described the school to inspectors as a 'joyful place'.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The key public benefit delivered by Gillotts School is the maintenance and development of the high quality education provided by the school to the young people of Henley-on-Thames and the surrounding area. In doing this, Gillotts School not only offers a broad based academic education but also aims to educate the whole individual. A very wide range of extra-curricular activities, educational trips, visits and exchange programmes are offered and undertaken.

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

STRATEGIC REPORT

Achievements and Performance

We were very pleased by this year's outcomes, which are amongst our best ever, despite this not being the cohort with the highest prior attainment.

The following are the headlines of achievement.

- 62% of students achieved grade 5+ passes in both English and mathematics (FFT20 target was 55%)
- 84% of students achieved grade 4+ passes in both English and mathematics
- 32% of students achieved 5+ passes at grade 7+ (FFT20 target was 24%)
- 36% of students achieved the EBacc with grade 5+ passes in English and maths
- 87% of students achieved grade 4+ in English and 91% in maths - this is important for students as this is the grade that exempts them from further study at college
- 75% of students achieved grade 5+ in English and 71% in maths - this is important for us as grade 5 is the 'strong pass' most reported in the performance tables
- 24% of students achieved grade 7+ in English and 29% in maths

Ofsted inspection outcomes

Ofsted published its report on Gillotts on 19 May 2016. The school was inspected on 20 April.

Ofsted recognised that Gillotts is a good school, in all that we do. The report confirmed that, since the last inspection in June 2012, standards had risen, the quality of teaching had improved, and the quality of leadership of all staff had strengthened.

We were particularly pleased that the inspectors noted the positive feedback from our stakeholders:

- 'Staff are overwhelmingly positive about working at the school and about you and your leaders. They say that there is 'an atmosphere of mutual support and teachers are encouraged to share best practice'.'
- 'One parent describes 'the happy atmosphere' in the school while another reports that 'teachers really care for the students'.'
- 'The views of the many are reflected in the comment of one pupil who described the school as 'a joyful place'

The report recognised that there is much good practice in the school. Ofsted challenged us to improve further by using this to increase the proportion of disadvantaged pupils making strong progress and to improve the quality of teaching for pupils who have special educational needs or disability. We agreed that these are the right goals to work towards and we know that all the staff are fully committed to achieving them.

The full Ofsted Report is available for download at www.ofsted.gov.uk

Key Performance Indicators

	As per budget plan	Outturn
Total Staff costs	3617306	3771990
Salary costs to ESFA income	87.24	87.25
Salary costs to total income	79.11	79.81
Salary costs as % of total expenditure	76.54	72.41

Going Concern

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

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

FINANCIAL REVIEW

Most of the school's income is obtained from the DfE via the ESFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

No other specific Capital Grants were awarded to the school by the DfE to provide fixed assets apart from the Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2015, the DFC received is shown in the Statement of Financial Activities as restricted fixed asset funds.

On conversion on 1 March 2012, all of the fixed assets of the former foundation school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period before fixed asset additions covered by this report was covered by the GAG received from the DfE and other income such as voluntary income and activities for generating funds.

The Academy Internal Financial Procedures are reviewed annually at the spring meeting of the Finance and Resources Committee.

Reserves Policy

At 31 August 2019 the total funds comprised:

Unrestricted		171,627
Restricted:	Fixed asset funds	13,876,711
	Pension reserve	(1,805,000)
	Other	513,670
		<u>12,757,008</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 22. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Whilst the pension reserve deficit has increased by £676K since 31 August 2018, the current valuation is based on rolling forward previous accounting assumptions as the next full valuation is not due until 31 August 2020. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

The school is operating within a financial environment over which it has limited control or influence. Funding is determined by government formula which in recent years has been on a "flat cash" basis concurrent with a reduction in academy uplift funding. This means there has been an effective reduction in funding for academies whilst at the same time payroll costs are linked in to regular and pre-set annual increases. As payroll costs are the largest part of the school's expenses, the increases mean that year on year the risk of expenditure exceeding income becomes greater. Having recorded an in-year deficit of £13K in 2018, the school has realised a small surplus of £73K in 2019 leaving reserves of £68K as at 31 August 2019. This is comprised of unrestricted funds of £171,627 plus restricted funds of £513,670.

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

Reserves Policy (continued)

The school has a history of strong financial responsibility and has done all it can to date to reduce expenditure where this can be achieved without impacting on its core ethos and values, but the options are limited and this task is becoming increasingly difficult. Continued diligent financial management and the prudent accumulation of reserves in prior years should allow the school to continue to provide a high standard of education for the immediate future, but there are concerns for the medium term. Unless there is some appropriate action by central government to increase funding for schools such as this, then the school's reserves will eventually be fully utilised. As the school is unwilling to compromise on its core purpose of providing high quality education, it is not impossible that the school will be in financial deficit at some stage in the future. We understand that we are by no means alone and there are very many similar schools both locally and around the country facing similar challenges as a result of inadequate national funding.

The school fabric, infrastructure and sports facilities are in urgent need of updating and improving, with the majority of the school buildings dating back over 50 years. In order to do this, the school has previously announced its plans to raise the necessary funds from the sale of surplus land. It is important to understand that there are strict limitations that apply to these funds as they can only be applied to capital projects; apart from improving facilities, they will go no way to defraying the increasing day to day costs of running the school.

Investment Policy

Apart from the cash held for the operation of the school, Gillotts School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy.

Whilst interest rates are so low, it is not time cost effective to regularly review cash balances and transfer any excess funds to a deposit account and back again to cover expenditure. The school's bankers pay interest to the school on its current account balances and any financial benefit to regularly transferring funds is outweighed by the time commitment required.

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

Principal Risks and Uncertainties

Category	Risk	Comment	Remedial action identified
Strategic	Obsolescence of ICT hardware and software	Technology moves very quickly and it is very difficult to be confident of requisitioning the most effective and value for money ICT supplies/services to meet current requirements and to future proof for the inevitable developments going forward. This links to the below since having sufficient funding to future proof is key to successfully managing the risk.	ICT upgrade strategy and financial viability regularly reviewed. Implementation of BYOD Strategy Implementation of MFD project to replace all photocopiers and printers on site.
	Risk of critical failure to site or plant	For example boilers, heating infrastructure, drains, electrical wiring and supply, gas supply, water supply	Potential for the sale of land to reduce the risk providing capital funding for improvements.
	Routine maintenance, decorations, floor coverings, furniture replacements are not affordable	Overall building stock deteriorates to such a poor condition it becomes unusable	Patch repairing rather than whole room upgrades. Limited funding is prioritised to keep space operational. As at Sept 17, X2 classroom had to be shut due to unidentified toxic smell. This remains out of use.
Financial	Risk that equipment cannot be fully replaced at the right time when it requires upgrading due to insufficient funding	In addition to ICT, this applies to all assets that would require immediate replacement in the event of failure. Parts of the heating system and buried building services remain at risk of imminent failure.	We are improving the asset registration to develop a realistic and manageable replacement programme for all school assets. Application(s) to ESFA for (emergency) capital funding.
	Risk that the school will be unable to set a balanced budget	Accumulated reserves are reducing as they are being used to support an in year negative budget. This is not sustainable.	Budgets cuts to subject areas, IT and Premises as well as reduced staffing, careful match of curriculum to staffing, proactive working with ESFA.
Operational	Staff - Inability to recruit teachers. Teacher supply has not been managed in recent years. This, coupled with Henley being an expensive place to live, outside London weighting, has brought additional challenges.	Working with Oxfordshire Teaching School Alliance and OUDE to train teachers. Use a recruitment agency for advertising; good relationship with supply agencies (including overseas). Proactive and timely management of recruitment	Consider spending a portion of the reserves to increase staffing levels so preserving staffing levels even in times when there are vacancies.

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

Principal Risks and Uncertainties (continued)

Management	Risk of school closure	Due to the restricted affordability to repair buried building services at risk of imminent failure, there is a possibility of school closure should the heating and/or drains fail.	Phased replacement plan. If failure occurs before replacement, will have to apply to ESFA for emergency funding.
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The Academy Trust practises through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

Major risks have been identified earlier in this report.

Other principal risks managed by the Academy are:

- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unforeseen increase in costs or major capital repairs due to building/site failures. Mitigated by the fact the Governors and the Leadership team are already considering a range of initiatives to reduce costs in the medium to long term.
- Premises risk – It is not possible to ascertain with any degree of accuracy the risk of failure of areas of the premises that cannot be easily seen or regularly monitored (for instance buried services, roofs). Mitigated by the fact that in 2012/13 the school commissioned a site condition survey which provides comprehensive information to inform premises priorities over the next 10 years.
- Personnel risk – the principal risks associated with personnel are related to succession planning, recruitment, retention and training. Mitigated by the fact the Leadership Team all have discrete responsibilities so the loss of a member of staff will impact on the rest of the team until a new appointment is made and working effectively. There are very thorough recruitment processes - at least two members of staff/governor are involved with the interview process. All staff matters are referred to/managed by the Headteacher in the first instance who is fully experienced in the need as to how and when to refer to HR professionals.

FUNDRAISING

The school launched its school fund in June 2017. All parents were contacted, advised why the school had set up this fund and asked for donations, however small. The school also asks UK tax payers to complete a gift aid declaration in order that Gift Aid funding can be claimed from HMRC. New parents are contacted as they join the school and the parents' association promotes the school fund at relevant school events. This is the main source of fundraising income of the school. There is no expectation to donate nor pressure to do so – this is clear from the fact fewer than 10% of our parents make regular donations.

Gillotts School does not use any commercial or professional fundraisers. The fund is administered by the school so conforms to recognised standards

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

PLANS FOR FUTURE PERIODS

Gillotts School is proud of its successes and proud of its identity. We believe in achievement for all and want to secure the best outcomes for all our learners, without exception. We want to continue to raise students' expectations of themselves and develop them as independent learners, ready for the challenges ahead.

We will build on our success as a highly inclusive and integrated community by enhancing the opportunities for interaction and engagement with the school beyond the planned curriculum, encompassing students' social time within the school day and enhancing opportunities for the use of the school site by the community.

Teaching and learning are at the heart of this school. We see Assessment for Learning as the single most powerful lever for improved teaching and learning, and hence improved attainment and progress. We continue to develop an increasingly personalised approach to CPD recognising that teachers, as professionals, are the best placed to drive their own development.

We will build on our outstanding curriculum, underpinned by a deep understanding of student progress and a commitment to developing the wider skills valued by higher education and employers. Our curriculum will give learners the knowledge and cultural capital they need to succeed in life, whatever their starting point. Knowledge underpins and enables the application of skills – we see knowledge and skills as intertwined.

Seamless, embedded access to ICT supports interaction, collaboration and feedback. We will break down the artificial boundary of the limits of the school day to support the integration of students' learning in school, at home and on the move. A comprehensive and flexible ICT solution is an essential means to this end. Every student has access to a handheld device to motivate and support learning. We will support students to be confident and reflective users of technology, in preparation for their adult lives.

Our motto, not by ourselves alone, will continue to underpin an ethos centred on the core values of kindness, respect and living without harm. We know that students will only thrive in their learning when their basic needs are met and we will continue to work towards this goal, through our extended team which offers outstanding pastoral care and by maintaining and developing our partnerships with external agencies who can provide specialist care and support. We will continue to develop the support we offer to parents to enable them in turn to support us as they work alongside their children.

We have an inspirational site – 33 acres with extensive woodland, on the site of the local manor house, parts of which (including two associated cottages) remain. The school is set on the fringes of the town with extensive views across the Thames valley. We want to use the stunning environment to help excite and inspire and students and staff to move the school's performance to the next level, making it an outstanding place to study and work with results securely in the top 10% of schools nationally.

Redeveloping the school environment will enable us to achieve all this by allowing us to maximise the potential of the site. It will support us to meet the challenges we face by ensuring we have buildings that are fit for purpose and so allow us to focus on our core priority of continuously improving outcomes for all our young people.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None

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

AUDITOR

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2019 and signed on the board's behalf by:

D Gorsuch
Chair of Trustees

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

		Meetings attended	Out of a possible
Catharine Darnton	Headteacher and Accounting Officer	4	4
David Gorsuch	Chair of Governors	4	4
Daniel Bond		1	4
Carol Brown	Staff governor	4	4
Satwant Deol		1	4
David Edwards		4	4
Karen Edwards		3	4
Leonora Ellerby		3	4
Marie Finch	Appointed 15.12.18	2	2
Nigel Hawkins		4	4
Kate Holden		4	4
Karen Jones		4	4
James Langdon		3	4
John Print	End of Term 13.11.18	0	0
Hayley Rogers	Resigned 31.08.19	0	4
Wil Schoenmakers	Appointed 15.12.18	1	2
Barry Taylor	Resigned 21.10.18	0	0
Susan White		2	4

Gillotts has a sound structure to its Governing Body with many individuals bringing invaluable expertise to their work for the school. Where governors' terms of office have come to an end, Gillotts has managed to appoint or elect good replacements. Resignations ahead of end of term of office have been due to retirement.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

GOVERNANCE (continued)

Governance reviews:

In 2014, the Governing Body completed a self-evaluation using a tool made available by the National Governors Association (NGA). The outcome is positive, identifying a number of key strengths. We identified we need to make sure governors are better aware of and access the training opportunities available to them. We have also identified the need for governors with links to the local community. We have also two 360 reviews of the Chair of Governors' effectiveness, again through the NGA, most recently in November 2018. The self-evaluation is updated on an annual basis in December of each year.

The main board of Trustees receives reports and copies of minutes (where appropriate) from all committees (Finance & Resources/Audit, Personnel, Curriculum & Student Progress, Policy and Planning, Land Sale) on a termly basis. These are presented by the Chair of each committee at each of the main meetings and all governors are able to raise questions of the various committees and of the school.

The school is fortunate enough to have a very strong and supportive governing body although the challenge will always remain to ensure an effective succession of governors to cover all disciplines that are required to make the governing body as strong as possible in its support of the school.

In addition to the reports from the various committees, the Headteacher produces a comprehensive report for each main meeting using internal and national data to monitor, review and compare the school's effectiveness.

The **finance and resources committee** is a sub-committee of the main board of trustees. Its purpose is set out in its Terms of Reference and is, primarily, to take responsibility for strategic planning of all aspects of financial and resources management, including consideration of long term planning and resourcing.

The responsibilities of an **audit committee** are incorporated within the Terms of Reference of the Finance and Resources Committee. Its purpose is to receive the Internal checking report (previously Responsible Officer's Report) from the Chair of the Committee at each meeting and the auditors' reports when appropriate and to recommend to the full governing body action as appropriate in response to these findings.

During the year Wil Schoenmakers joined the committee. Attendance at meetings in the year was as follows:

		Meetings attended	Out of a possible
Catharine Darnton	Headteacher and Accounting Officer	4	4
David Gorsuch	Chair of Governors	3	4
Carol Brown	Staff governor	2	4
David Edwards		4	4
Kate Holden		4	4
John Print	End of Term 13.11.18	0	1
Wil Schoenmakers	Appointed 15.12.18	1	3

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust 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 Trust 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 Trust has delivered improved value for money during the year by:

Improving results by:

- We have undertaken a detailed and rigorous review and analysis of the full range of reports available through SIMS and SISRA to enable us to identify specific students to receive targeted interventions as appropriate (FSM, PP, SEN, more able). We are wishing to close the attainment gap between PP and other students.
- We have undertaken a rigorous review and evaluation of examination results, value added progress, student attendance.
- The School Development Plan is focussed on improving outcomes for example through improving the quality of teaching.
- We have developed a rigorous and innovative system for assessment including the tracking of student progress, following the removal of national curriculum levels.
- We have embedded additional English and mathematics intervention within the curriculum.
- We have a differentiated curriculum provision with alternative provision at KS4.
- We are enabling all students to 'bring their own devices' to widen access to IT without increased cost to the school.
- We have a performance related pay policy for teachers that rewards day to day good and developing practice in the classroom.
- We are a Teaching School working within the Oxfordshire Teaching School Alliance to maximise CPD opportunities and continue to improve standards of teaching.
- A collaborative company further enhances close links with local partnership primary schools – this has brought opportunities for year 5s and 6s to spend time with us to ease transition and support the sharing of good practice.
- We continue to improve the take up of the school meals provision.
- Revision classes were held during the Easter break and after school for GCSE students.
- School facilities are used by a local dance academy and cricket club on a regular basis and the school grounds are used to host the Oxfordshire UK Triathlon.

Financial Governance:

- We have rigorous procedures in place for establishing and reviewing the school budget.
- Termly internal checking reports are supported by our external auditor and have been presented at termly governor meetings alongside our full internal financial report.
- Annual external audit.
- Our Internal Financial Procedures Handbook is reviewed annually by governors. It has been updated to include a detailed procedure for gifts, hospitality and benefits in kind.
- Contracts are regularly reviewed for cost/benefit. Tender procedures have been applied to the appointment of a new broadband provider and to the introduction of multi-functional devices to replace photocopiers and printers.
- A preferred suppliers list has been established.
- Financial outturn is materially in line with the budget plan.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY (continued)

Internal controls

- There is a detailed internal financial procedures manual available to all staff, reviewed annually by Governors
- The finance system blocks orders that would exceed available funds
- All orders have been reviewed by the Business Manager prior to authorisation and submission to supplier
- All invoices have been reviewed by the Headteacher and Business Manager for appropriateness
- Budget holders have received termly reports and interim reports on request and have been held accountable for budget management
- Value for money comparisons have been made for purchased supplies and services.

Lessons Learned

The high proportion of funding that is spent on staffing means that proactive management of staffing levels, taking available opportunities to review the structure and current requirements, is key. This has been established as normal working practice

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gillotts School for the period 01 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01 September 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

THE RISK AND CONTROL FRAMEWORK (continued)

- 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:

- not to appoint an internal auditor. However, the trustees have appointed MHA MacIntyre Hudson the external auditor, to perform additional checks

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

- testing of payroll systems and salary verification
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income control systems

On a termly basis the reviewer reports to the board of trustees, through the finance & resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The reviewer has delivered their schedule of work as planned. There were no material control issues arising

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 reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust 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 finance and 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 3 December 2019 and signed on its behalf by:

D Gorsuch
Chair of Trustees

C Darnton
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019**

As accounting officer of Gillotts School I have considered my responsibility to notify the Academy Trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 all 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.

C Darnton

Accounting officer

3 December 2019

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 3 December 2019 and signed on its behalf by:

David Gorsuch
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GILLOTTS SCHOOL

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GILLOTTS SCHOOL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GILLOTTS SCHOOL (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GILLOTTS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 July 2018 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 Gillotts School 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 Gillotts School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gillotts School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gillotts School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Gillotts School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Gillotts School's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GILLOTTS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

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 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2019

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

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
Income from:						
Donations and capital grants	3	-	74,468	62,518	136,986	43,289
Charitable activities	4	3,720	4,697,672	-	4,701,392	4,266,534
Teaching schools	27	-	56,500	-	56,500	35,000
Other trading activities	5	22,033	-	-	22,033	31,642
Investments	6	550	-	-	550	500
Total income		26,303	4,828,640	62,518	4,917,461	4,376,965
Expenditure on:						
Charitable activities		-	4,887,282	267,689	5,154,971	4,749,689
Teaching schools	27	-	52,012	-	52,012	60,000
Other expenditure		-	-	-	-	-
Total expenditure	7	-	4,939,294	267,689	5,206,983	4,809,689
Net income/(expenditure)		26,303	(110,654)	(205,171)	(289,522)	(432,724)
Transfers between funds	17	-	(57,539)	57,539	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(461,000)	-	(461,000)	419,000
Net movement in funds		26,303	(629,193)	(147,632)	(750,522)	(13,724)
Reconciliation of funds:						
Total funds brought forward		145,324	(662,137)	14,024,343	13,507,530	13,521,254
Net movement in funds		26,303	(629,193)	(147,632)	(750,522)	(13,724)
Total funds carried forward		171,627	(1,291,330)	13,876,711	12,757,008	13,507,530

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 52 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	13,876,711	14,024,343
		13,876,711	14,024,343
Current assets			
Debtors	14	165,808	168,458
Cash at bank and in hand		835,313	724,995
		1,001,121	893,453
Creditors: amounts falling due within one year	15	(308,324)	(271,266)
Net current assets		692,797	622,187
Total assets less current liabilities		14,569,508	14,646,530
Creditors: amounts falling due after more than one year	16	(7,500)	(10,000)
Defined benefit pension scheme liability	23	(1,805,000)	(1,129,000)
Total net assets		12,757,008	13,507,530
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	13,876,711	14,024,343
Restricted income funds	17	513,670	466,863
Pension reserve	17	(1,805,000)	(1,129,000)
Total restricted funds	17	12,585,381	13,362,206
Unrestricted income funds	17	171,627	145,324
Total funds		12,757,008	13,507,530

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue on 03 December 2019 and are signed on their behalf, by:

Mr David Gorsuch
(Chair of Trustees)

Date: 3 December 2019

The notes on pages 28 to 52 form part of these financial statements.

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	19	169,807	15,851
Cash flows from investing activities	21	(56,989)	(19,797)
Cash flows from financing activities	20	(2,500)	(2,500)
Change in cash and cash equivalents in the year		110,318	(6,446)
Cash and cash equivalents at the beginning of the year		724,995	731,441
Cash and cash equivalents at the end of the year	22	835,313	724,995

The notes on pages 28 to 52 form part of these financial statements

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), judgements 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.

1.2 Going concern

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

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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

Freehold property	- 2% on cost of buildings only
Freehold improvements	- 2% - 10% on cost
Equipment	- 10% - 20% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 20% on cost

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

1.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.8 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.

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Taxation

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

.Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust'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 cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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

1. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

1.14 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

Critical areas of judgement:

The judgments that have a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

3. Income from donations and capital grants

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	76,824	76,824	25,637
Capital grants	60,162	60,162	17,652
	<u>136,986</u>	<u>136,986</u>	<u>43,289</u>

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

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,056,000	4,056,000	3,835,150
Pupil premium	-	68,853	68,853	78,819
Other DfE/ESFA grants	-	196,370	196,370	27,871
	-	4,321,223	4,321,223	3,941,840
Other government grants				
Local authority grants	-	128,345	128,345	124,884
	-	128,345	128,345	124,884
Other educational income				
Trip income	3,720	196,640	200,360	143,946
Other income	-	51,464	51,464	55,864
	3,720	248,104	251,824	199,810
	3,720	4,697,672	4,701,392	4,266,534
Total 2018	-	4,266,534	4,266,534	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	8,648	8,648	19,586
School fund	13,385	13,385	12,056
	22,033	22,033	31,642

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

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	550	550	500

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Academy's educational operations:					
Direct costs	3,030,473	240,752	523,006	3,794,231	3,430,671
Allocated support costs	701,177	415,213	244,350	1,360,740	1,319,018
Teaching school	40,340	-	11,672	52,012	60,000
	<u>3,771,990</u>	<u>655,965</u>	<u>779,028</u>	<u>5,206,983</u>	<u>4,809,689</u>
Total 2018	<u><u>3,510,293</u></u>	<u><u>655,521</u></u>	<u><u>643,875</u></u>	<u><u>4,809,689</u></u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	3,794,231	1,360,740	5,154,971	4,749,689
Total 2018	<u><u>3,430,671</u></u>	<u><u>1,319,018</u></u>	<u><u>4,749,689</u></u>	

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	3,030,473	3,030,473	2,816,849
Depreciation	267,689	267,689	288,114
Educational supplies	163,556	163,556	124,038
Examination fees	62,588	62,588	52,487
Staff expenses	5,763	5,763	4,145
Other direct costs	264,162	264,162	145,038
	<u>3,794,231</u>	<u>3,794,231</u>	<u>3,430,671</u>

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	701,177	701,177	653,444
Pension income	33,000	33,000	37,000
Technology costs	75,871	75,871	98,650
Premises costs	384,692	384,692	412,003
Other support costs	142,187	142,187	107,921
Governance costs	23,813	23,813	10,000
	<u>1,360,740</u>	<u>1,360,740</u>	<u>1,319,018</u>

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	5,501	12,629
Depreciation of tangible fixed assets	267,689	288,114
Fees paid to auditors for:		
- audit	8,000	8,000
- other services	15,813	12,209
	<u>15,813</u>	<u>12,209</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,851,182	2,685,926
Social security costs	246,660	237,786
Pension costs	612,971	539,476
	<u>3,710,813</u>	<u>3,463,188</u>
Agency staff costs	61,177	47,105
	<u>3,771,990</u>	<u>3,510,293</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	53	51
Administration and support	64	62
Management	5	5
	<u>122</u>	<u>118</u>

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

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

d. Key management personnel

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £511,487 (2018: £407,082).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Ms Catherine Darton	Remuneration	95,000 - 100,000	95,000 - 100,000
Accounting Officer	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Miss Hayley Roger	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Ms Carol Brown	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost and could not be separately identified.

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

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	15,375,324	147,534	243,850	27,806	15,794,514
Additions	70,653	24,275	25,129	-	120,057
At 31 August 2019	<u>15,445,977</u>	<u>171,809</u>	<u>268,979</u>	<u>27,806</u>	<u>15,914,571</u>
Depreciation					
At 1 September 2018	1,427,135	99,243	215,987	27,806	1,770,171
Charge for the year	240,752	10,450	16,487	-	267,689
At 31 August 2019	<u>1,667,887</u>	<u>109,693</u>	<u>232,474</u>	<u>27,806</u>	<u>2,037,860</u>
Net book value					
At 31 August 2019	<u>13,778,090</u>	<u>62,116</u>	<u>36,505</u>	<u>-</u>	<u>13,876,711</u>
At 31 August 2018	<u>13,948,189</u>	<u>48,291</u>	<u>27,863</u>	<u>-</u>	<u>14,024,343</u>

Included within freehold property is freehold land at valuation of £5,394,300 (2018: £5,394,300) which is not depreciated.

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	988	10,434
Other debtors	107	106
Prepayments and accrued income	78,236	114,430
Tax recoverable	86,477	43,488
	<u>165,808</u>	<u>168,458</u>

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

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	2,500	2,500
Trade creditors	39,008	41,888
Other taxation and social security	58,902	59,887
Other creditors	54,953	50,751
Accruals and deferred income	152,961	116,240
	308,324	271,266
	2019	2018
	£	£
Deferred income at 1 September 2018	70,049	77,597
Resources deferred during the year	83,585	70,049
Amounts released from previous periods	(70,049)	(77,597)
	83,585	70,049

£19,151 (2018: £23,964) of the deferred income relates to grants given by Henley Educational Trust for educational support services for 2019/20. The remaining deferred income is in relation to school trip income received for trips to be delivered in 2019/20 and deferred fundign for SSIF for Autumn 2019.

Other creditors is made up of a SALIX loan of £2,500 from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments.

16. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Other loans	7,500	10,000

Other creditors is made up of a SALIX loan of £7,500 (2018: £10,000) from the ESFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments.

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

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General unrestricted funds	145,324	26,303	-	-	-	171,627
Restricted general funds						
General Annual Grant (GAG)	466,863	4,056,000	(3,956,142)	(57,539)	-	509,182
Pupil Premium	-	68,853	(68,853)	-	-	-
Other DfE/ESFA revenue grants	-	196,370	(196,370)	-	-	-
Teaching school grants	-	56,500	(52,012)	-	-	4,488
LA grants	-	128,345	(128,345)	-	-	-
Other restricted funds	-	322,572	(322,572)	-	-	-
Pension reserve	(1,129,000)	-	(215,000)	-	(461,000)	(1,805,000)
	<u>(662,137)</u>	<u>4,828,640</u>	<u>(4,939,294)</u>	<u>(57,539)</u>	<u>(461,000)</u>	<u>(1,291,330)</u>
Restricted fixed asset funds						
Fixed asset fund	14,024,343	-	(267,689)	120,057	-	13,876,711
Devolved formula capital	-	60,162	-	(60,162)	-	-
Other restricted funds	-	2,356	-	(2,356)	-	-
	<u>14,024,343</u>	<u>62,518</u>	<u>(267,689)</u>	<u>57,539</u>	<u>-</u>	<u>13,876,711</u>
Total Restricted funds	<u>13,362,206</u>	<u>4,891,158</u>	<u>(5,206,983)</u>	<u>-</u>	<u>(461,000)</u>	<u>12,585,381</u>
Total funds	<u><u>13,507,530</u></u>	<u><u>4,917,461</u></u>	<u><u>(5,206,983)</u></u>	<u><u>-</u></u>	<u><u>(461,000)</u></u>	<u><u>12,757,008</u></u>

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

17. Statement of funds (continued)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

General annual grant is to be spent on educational purposes as specified by the ESFA. The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The Teaching School grants fund represents funding for the Academy to provide others with high-quality training, development and support to new and experienced school staff.

The lodge project relates to the refurbishment and staffing of the caretakers lodge to be used for at risk pupils.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

Restricted fixed assets are funds representing the amounts invested in fixed assets and any unspent capital grants.

Devolved formula capital is ESFA grant monies to be spent on premises. The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

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

17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	113,182	32,142	-	-	-	145,324
Restricted general funds						
General Annual Grant (GAG)	478,564	3,835,150	(3,826,554)	(20,297)	-	466,863
Pupil Premium	-	78,819	(78,819)	-	-	-
Other DfE/ESFA revenue grants	-	27,871	(27,871)	-	-	-
Teaching school grants	25,000	35,000	(60,000)	-	-	-
LA grants	-	124,884	(124,884)	-	-	-
Other restricted funds	-	225,447	(225,447)	-	-	-
Pension reserve	(1,370,000)	-	(178,000)	-	419,000	(1,129,000)
	<u>(866,436)</u>	<u>4,327,171</u>	<u>(4,521,575)</u>	<u>(20,297)</u>	<u>419,000</u>	<u>(662,137)</u>
Restricted fixed asset funds						
Fixed asset fund	14,274,508	-	(288,114)	37,949	-	14,024,343
Devolved formula capital	-	17,652	-	(17,652)	-	-
	<u>14,274,508</u>	<u>17,652</u>	<u>(288,114)</u>	<u>20,297</u>	<u>-</u>	<u>14,024,343</u>
Total Restricted funds	<u>13,408,072</u>	<u>4,344,823</u>	<u>(4,809,689)</u>	<u>-</u>	<u>419,000</u>	<u>13,362,206</u>
Total funds	<u><u>13,521,254</u></u>	<u><u>4,376,965</u></u>	<u><u>(4,809,689)</u></u>	<u><u>-</u></u>	<u><u>419,000</u></u>	<u><u>13,507,530</u></u>

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,876,711	13,876,711
Current assets	171,627	829,494	-	1,001,121
Creditors due within one year	-	(308,324)	-	(308,324)
Creditors due in more than one year	-	(7,500)	-	(7,500)
Provisions for liabilities and charges	-	(1,805,000)	-	(1,805,000)
Total	171,627	(1,291,330)	13,876,711	12,757,008

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,024,343	14,024,343
Current assets	145,324	748,129	-	893,453
Creditors due within one year	-	(271,266)	-	(271,266)
Creditors due in more than one year	-	(10,000)	-	(10,000)
Provisions for liabilities and charges	-	(1,129,000)	-	(1,129,000)
Total	145,324	(662,137)	14,024,343	13,507,530

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

19. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(289,522)	(432,724)
Adjustments for:		
Depreciation	267,689	288,114
Capital grants from DfE and other capital income	(62,518)	(17,652)
Interest receivable	(550)	(500)
Defined benefit pension adjustments	215,000	178,000
Decrease/(increase) in debtors	2,650	(21,337)
Increase in creditors	37,058	21,950
Net cash provided by operating activities	169,807	15,851

20. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(2,500)	(2,500)
Net cash used in financing activities	(2,500)	(2,500)

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	550	500
Purchase of tangible fixed assets	(120,057)	(37,949)
Capital grants from DfE Group	60,162	17,652
Capital funding received from sponsors and others	2,356	-
Net cash used in investing activities	(56,989)	(19,797)

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

22. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	835,313	724,995
Total cash and cash equivalents	835,313	724,995

23. Pension commitments

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

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

Contributions amounting to £54,898 were payable to the schemes at 31 August 2019 (2018 - £50,696) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

23. Pension commitments (continued)

Valuation of Teachers Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £316,257 (*2018 - £288,352*).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £159,000 (*2018 - £195,000*), of which employer's contributions totalled £120,000 (*2018 - £111,000*) and employees' contributions totalled £ 39,000 (*2018 - £84,000*). The agreed contribution rates for future years are 19.3 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.7
Inflation assumption (RPI)	3.3	3.7

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.7	23.4
Females	24.3	25.5
<i>Retiring in 20 years</i>		
Males	24.3	25.7
Females	25.7	27.9

Sensitivity analysis - approximate increase in scheme liabilities

	2019	2018
	£000	£000
0.5% decrease in real discount rate	463	347
Mortality assumption - 1 year increase	122	102
0.5% increase in pension increase rate (CPI)	392	291
0.5% increase in the salary increase rate	61	51

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

23. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	1,428,990	1,271,200
Corporate bonds	434,910	308,720
Property	124,260	145,280
Cash and other liquid assets	82,840	90,800
Total market value of assets	2,071,000	1,816,000

The actual return on scheme assets was £57,000 (2018 - £71,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(238,000)	(252,000)
Past service cost	(64,000)	-
Interest cost	(33,000)	(37,000)
Total amount recognised in the Statement of Financial Activities	(335,000)	(289,000)

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

	2019	2018
	£	£
Opening defined benefit obligation	2,945,000	2,889,000
Current service cost	238,000	252,000
Interest cost	86,000	79,000
Employee contributions	39,000	84,000
Actuarial losses/(gains)	518,000	(348,000)
Benefits paid	(14,000)	(11,000)
Past service costs	64,000	-
Closing defined benefit obligation	3,876,000	2,945,000

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

23. Pension commitments (continued)

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

	2019 £	2018 £
Opening fair value of scheme assets	1,816,000	1,519,000
Expected return on assets	53,000	42,000
Actuarial gains	57,000	71,000
Employer contributions	120,000	111,000
Employee contributions	39,000	84,000
Benefits paid	(14,000)	(11,000)
Closing fair value of scheme assets	2,071,000	1,816,000

	2019 £	2018 £
The amount shown in the Statement of Financial Activities is:		
Changes in financial assumptions	258,000	348,000
Changes in demographic assumptions	(776,000)	-
Return on assets excluding amounts included in net interest	57,000	71,000
Actuarial (losses)/gains on defined benefit pension schemes	(461,000)	419,000

23. Pension commitments (continued)

	2019 £	2018 £
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(3,876,000)	(2,945,000)
Fair value of scheme assets	2,071,000	1,816,000
Defined benefit pension scheme liability	(1,805,000)	(1,129,000)

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

24. Operating lease commitments

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

	Academy Trust 2019 £	Academy Trust 2018 £
Not later than 1 year	11,003	12,629
Later than 1 year and not later than 5 years	11,003	1,209
	22,006	13,838

25. 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.

26. Related party transactions

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The Academy Trust had related party transactions with The Henley Partnership of Schools Limited of which C Darton (Headteacher) is also a Trustee. The Academy Trust had receipts from The Henley Partnership of Schools Limited of £Nil (2018: £15,400) and made payments amounting of £Nil (2018: £1,993) during the year. There were no amounts owed to or owed from The Henley Partnership of Schools Limited at the year end in 2019 or 2018.

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

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

27. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct income				
Core grant	50,000		35,000	
Other income				
Fundraising and other trading activities	6,500		-	
Total income		56,500		35,000
Expenditure				
Direct expenditure				
Direct staff costs	40,000		18,314	
Other direct costs	10,000		20,000	
Total direct expenditure	50,000		38,314	
Other expenditure				
Other staff costs	340		21,686	
Other support costs	1,672		-	
Total other expenditure	2,012		21,686	
Total expenditure		52,012		60,000
Surplus/(deficit) from all sources		4,488		(25,000)
Teaching school balances at 1 September 2018		-		25,000
Teaching school balances at 31 August 2019		4,488		-