

GILLOTTS SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

GILLOTTS SCHOOL

(A Company Limited by Guarantee)

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GILLOTTS SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members

Catharine Darnton	(Headteacher and Accounting Officer)
David Gorsuch	(Chair of Governors)
Kate Holden	(Chair of Finance & Resources Committee)
Sue White	(Chair of Personnel Committee)
Nigel Hawkins	(Chair of Curriculum and Student Progress Committee 04.12.18-20.03.20)
Marie Finch	(Chair of Curriculum and Student Progress Committee appointed 30.06.20)

Trustees

Catharine Darnton	(Headteacher and Accounting Office)
David Gorsuch	(Chair of Governors)
Daniel Bond	(Resigned 03.12.19)
Carol Brown	(Staff Governor)
Satwant Deol	
David Edwards	
Karen Edwards	
Leonora Ellerby	
Marie Finch	
Nigel Hawkins	(End of term 20.03.20)
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)
Wil Schoenmakers	
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

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
FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2019 to 31 August 2020. 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 897 in the school census on 01 October 2020.

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

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 £223.43.

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 2020, there were two vacancies for a co-opted governor and one vacancy for a parent 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 (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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

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
- 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; sustainability

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, Strategies and Activities (continued)

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 since 2013, 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. GCSE exams were not sat in 2020 due to the pandemic. In relation to the other aims, the school was last inspected by Ofsted in February 2020. The inspectors concluded:

'There is enough evidence of improved performance to suggest that the school could be judged outstanding if we were to carry out a section 5 inspection now.'

'This is a school where pupils and staff thrive. Leaders have created a strong ethos of a happy learning community where pupils are known, supported and cared for.'

'Pupils' exemplary behaviour in lessons and around the school reflects the school's values of kindness and respect. Pupils benefit from a thoughtfully designed curriculum and are inspired by the broad range of subjects they study. They achieve very highly.'

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.

STRATEGIC REPORT

Achievements and Performance

GCSE exams were not sat in 2020 due to the pandemic. We were very pleased by 2019's outcomes, which were amongst our best ever, despite this not being the cohort with the highest prior attainment.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and Performance (continued)

The following were 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 5 March 2020. The school was inspected on 4-5 February.

The inspectors concluded: 'This is a school where pupils and staff thrive.'

Under the current arrangements for the inspection of schools, the only possible outcome of the inspection was that the school remained good, because this was a 'light touch' inspection. However the inspectors concluded:

There is enough evidence of improved performance to suggest that the school could be judged outstanding if we were to carry out a section 5 inspection now.

The positive atmosphere in lessons is described as 'remarkable'. Teachers have high expectations of their pupils 'to think like experts in the different subjects'. There is recognition of the 'dedicated pastoral team'.

We are however not complacent. The Leadership Team were fully involved in the inspection process and we are already refocussing our improvement planning to include what we learnt from the inspection.

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

Key Performance Indicators

	2018/19	2019/20
Total Staff Costs as Proportion of Total Expense (%)	75%	77%
FTE Teaching Staff	47.2	49.4
FTE Support Staff	36.6	35.4
Total FTE	83.8	84.8
Total Pupil Numbers by Lagged Pupil Numbers	845	862
Pupil Teacher Ratio as per Lagged Pupil Numbers	17.90	17.45
Average class size		24.9
Teacher contact ratio	0.75	0.72
Average Teacher Cost (£)	53,713	58,153
Proportion of budget spent on the Leadership team (%)	8%	8%
Spend per pupil for non-pay expenditure lines (£)	1396	1334

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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

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.

IMPACT OF COVID-19 VIRUS

Key personnel had to divert from normal duties to managing the implications of the pandemic. The school's activities were re-planned several times: closure – and set up of remote working and in-school provision for vulnerable students and children of critical workers; face-to-face provision for Year 10 (from 15 June); and full opening from 1 September. The centre assessment grade process required to award GCSEs was time consuming and stressful, made worse by the government abandoning Ofqual's standardisation algorithm at the last minute.

At the beginning of lockdown, it was apparent not all students had access to a device at home to enable them to engage with the remote education being provided. Our priority was therefore to establish how many had access to a suitable device they could use for the entire school day. We reconfigured a stock of laptops usually reserved for exams, received five laptops from the government scheme and along with a very generous donation of fifty second-hand laptops, managed to loan a device to most students in need. The school also purchased a number of Chromebooks using donations from local charitable organisations.

Staff also needed to be equipped to deliver remote education. Those without suitable devices at home were loaned school equipment to support them. We subsequently purchased each teacher an iPad and iPad Pro to support remote teaching and then distanced teaching once back in school. We also purchased twenty Chromebooks for the learning support team to enable them to better support students with SEND whilst maintaining social distancing. The cost of these Chromebooks was covered by a very generous parental donation.

Heads of House and tutors kept in regular contact with vulnerable families to support them as best they could whilst children were absent from school.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

IMPACT OF COVID-19 VIRUS (continued)

So far, the financial implications of Covid have not impacted significantly on Gillotts' finances, certainly not sufficiently enough to cast doubt on our financial sustainability and consideration of being a going concern. We have spent a lot of money but we had received a number of generous donations from the local community so we are fortunate. As such, I suggest nothing to report for 2019/20 although this could all change if the pandemic reaches the school community in a significant way and we are forced to use agency staff to keep the school open.

Lettings were cancelled from the end of February 2020 and are suspended until at least Jan 2021. Loss of income will be in the region of at least £8000. We are fortunate as we do not rely heavily on our fundraising income, seeing it more as a bonus than essential.

It is not possible to make general comments on how the pandemic has affected staff and students; everyone is having a different experience. We have a dynamic and comprehensive risk assessment for the re-opening of the school, and individual risk assessment for those at higher risk. We have processes in place to help manage Covid instances in the school community. We regularly encourage staff and students to speak to someone if they have any concerns.

A number of risks already on our risk register have heightened:

- Operational Management – loss of a key person
- Staff morale
- Academy profile/perception
- H&S – new requirements for managing coronavirus
- Child protection
 - At risk students absent from school for a longer period of time
 - FSM students funded direct to parents so school unable to monitor students being properly fed
- Financial
 - Reduced income from lettings (manageable)
 - Majority of expenditure authorized by email (no signature to verify)
 - Orders were placed but when delivered not checked by the budget holder
 - Too few finance staff to segregate all duties as per internal financial handbook

A number of risks have been added to the risk register:

- Closure due to pandemic. Impact on student educational outcomes
- Government imposed further school closure due to local spike in coronavirus cases
- Possible further school closure due to outbreak of coronavirus in the school community
- Inadequate cleaning regime to manage coronavirus to levels required by government guidance when school is fully occupied
- Staff concerns about personal safety when at work
- Parental concerns about safety of their children when at school
- Students unable to access remote education (lack of or limited access to a suitable device and/or no internet at home)
- Students do not engage with remote education
- Staff not properly equipped for providing remote education
- Staff not properly equipped for remote working

GILLOTTS SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

IMPACT OF COVID-19 VIRUS (continued)

At the present time, there is no need to review the reserves policy as the school has a good level of reserves. The school will monitor the financial impact of the ongoing pandemic throughout the year and review the reserves policy should it prove necessary to do so.

Students are being taught in year group bubbles in their own designated area of the school. Teachers are moving around the site. As a consequence students are not taught in specialist areas for all their practical lessons – we operate a rota system for GCSE students for the use of practical areas so students are still experiencing practical lessons, just not as frequently as before lockdown. In Years 7-9, access to specialist spaces is very limited and the curriculum has had to be entirely re-planned, eg Art, Music, Dance, Design Technology, Food, Computing. Teachers are constrained to remain at the front of the classroom, in order to stay 2m from students. Lunch hours are reduced to allow all students a period of time outdoors in their own area. Lunch time sports teams cannot operate in the reduced timetable; nor can many other clubs or activities. After school sporting activities have ceased again in the second national lockdown; students cannot experience sport matches with other schools.

Year groups are not mixing so we have had to change all our tutor groups from 'vertical' to 'horizontal'. The school operating as a whole community, rather than in smaller groups, will return once we are able to do so. Other control measures around hygiene for instance are likely to become embedded in the school culture.

NATIONAL FREE SCHOOL MEALS SUPPORT

Families entitled to free school meals were provided with a payment direct to their bank account from school funds in order to buy food for the first two weeks of lockdown. Once the national programme was in place, all eligible families were offered support in the form of vouchers for their preferred supermarket. Feedback from families was positive and many expressed their gratitude.

REVIEW OF VALUE FOR MONEY

Following guidance in PPN/20 notices and advice from our solicitor and from the PPN team, we supported payments to our catering contractor and to our exam invigilators and other casual staff.

The caterer confirmed in writing that their situation met the guidance and they were paid for the provision of free school meals for the months of April – July based on invoices from the previous 12 weeks.

Our exam invigilators and a small number of other casual staff were paid 80% of an estimated amount for lost income due to the exams being cancelled or work no longer being required. The estimate for lost income was based on bookings made for the casual work and known availability during the exam period.

Reserves Policy

At 31 August 2020 the total funds comprised:

Unrestricted		186,443
Restricted:	Fixed asset funds	13,769,033
	Pension reserve	(1,778,000)
	Other	482,805
		<u>12,660,281</u>

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

Reserves Policy (continued)

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 25. 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 decreased by £217K since 31 August 2019, the current valuation is based on rolling forward previous accounting assumptions including the likely impact of the McCloud judgement on the pension reserves. Checks have been undertaken to ensure the figures are based on reasonable assumptions. 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 whilst payroll costs are linked to regular and pre-set annual increases over which the school has no control. As payroll costs are the largest part of the school's expenditure, if increases to school funding year on year do not at least cover the salary cost increases plus inflation the risk of expenditure exceeding income becomes greater. Having recorded an in-year surplus of £73K in 2019, the school has realised a small deficit of £16,049 in 2020 leaving reserves of £669K as at 31 August 2020. This is comprised of unrestricted funds of £186,443 plus restricted funds of £482,805.

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.

The school keeps its reserves in a thirty-day notice deposit account which was opened in October 19. Interest earned was good but has been significantly reduced since the Bank of England base rate has fallen so sharply in response to the Covid pandemic.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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. Focus all capital funding on premises 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. .
	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 2020

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 2020

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 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

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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 01 December 2020 and signed on the Board's behalf by:

David Gorsuch
Chair of Trustees

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 **3** 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	3	3
David Gorsuch	Chair of Governors	3	3
Daniel Bond	Resigned 03.12.19	0	1
Carol Brown	Staff governor	0	3
Satwant Deol		2	3
David Edwards		2	3
Karen Edwards		3	3
Leonora Ellerby		3	3
Marie Finch		2	3
Nigel Hawkins	End of term 20.03.20	0	1
Kate Holden		3	3
Emma Hunt	Appointed 15.10.19	3	3
Karen Jones		3	3
James Langdon		3	3
Rosemary McKisack	Staff Governor appointed 04.09.19	3	3
Alison Michael	Staff Governor appointed 04.09.19	3	3
Wil Schoenmakers		1	3
Berndt Vogel	Appointed 15.10.19	3	3
Susan White		1	3

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 2020

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 and risk committee** are incorporated within the Terms of Reference of the Finance and Resources Committee. Its purpose is to receive the Internal scrutiny 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 Emma Hunt and Alison Michael joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Catharine Darnton	4	4
David Gorsuch	4	4
Daniel Bond	0	1
Carol Brown	2	4
David Edwards	3	4
Kate Holden	4	4
Emma Hunt	4	4
Alison Michael	4	4
Wil Schoenmakers	0	4

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.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF VALUE FOR MONEY (continued)

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

Improving results by:

- The School Development Plan is focussed on improving outcomes for example through improving the quality of teaching.
- We have embedded additional English and mathematics intervention within the curriculum.
- We are enabling all students to 'bring their own devices' to widen access to IT without increased cost to the school.
- 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 will bring 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.

Financial Governance:

- We have rigorous procedures in place for establishing and reviewing the school budget.
- Annual external audit.
- Our Internal Financial Procedures Handbook is reviewed annually by governors.
- Contracts are regularly reviewed for cost/benefit. OJEU tender procedures have been applied to the appointment of a new cleaning contractor and a collaborative tender was run between eleven Oxfordshire schools to appoint a new Occupational Health and Employee Assistance provider.
- A preferred suppliers list has been established.
- Financial outturn is materially in line with the budget plan.

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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 monthly financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor for this purpose. However, the trustees have appointed 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
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income control systems

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

THE RISK AND CONTROL FRAMEWORK (continued)

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 and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The 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 ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 01 December 2020 and signed on its behalf by:

 **David Gorsuch**
Chair of Trustees

 **Catharine Darnton**
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020**

As accounting officer of Gillotts School I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of 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 2019.

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 2019.

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.

Catharine Darnley
Accounting officer

01 December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 1 December 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Trustees' 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
GILLOTT'S 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: 23/12/2020

GILLOTT'S SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

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 2019 to 2020 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 in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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: 23/12/2020

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Income from:						
Donations and capital grants	3	-	30,156	21,197	51,353	136,986
Charitable activities	4	-	4,832,741	-	4,832,741	4,701,392
Teaching schools	29	-	40,000	-	40,000	56,500
Other trading activities	5	11,950	-	-	11,950	22,033
Investments	6	2,866	-	-	2,866	550
Total income		14,816	4,902,897	21,197	4,938,910	4,917,461
Expenditure on:						
Charitable activities	8	-	4,955,485	283,972	5,239,457	5,154,971
Teaching schools	29	-	40,180	-	40,180	52,012
Total expenditure	7	-	4,995,665	283,972	5,279,637	5,206,983
Net income/(expenditure)		14,816	(92,768)	(262,775)	(340,727)	(289,522)
Transfers between funds	18	-	(155,097)	155,097	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	244,000	-	244,000	(461,000)
Net movement in funds		14,816	(3,865)	(107,678)	(96,727)	(750,522)
Reconciliation of funds:						
Total funds brought forward		171,627	(1,291,330)	13,876,711	12,757,008	13,507,530
Net movement in funds		14,816	(3,865)	(107,678)	(96,727)	(750,522)
Total funds carried forward		186,443	(1,295,195)	13,769,033	12,660,281	12,757,008

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

The notes on pages 30 to 57 form part of these financial statements.

GILLOTT'S SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07954417

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	13,769,033	13,876,711
		<u>13,769,033</u>	<u>13,876,711</u>
Current assets			
Debtors	15	135,414	165,808
Cash at bank and in hand		899,572	835,313
		<u>1,034,986</u>	<u>1,001,121</u>
Creditors: amounts falling due within one year	16	(360,738)	(308,324)
Net current assets		<u>674,248</u>	<u>692,797</u>
Total assets less current liabilities		<u>14,443,281</u>	<u>14,569,508</u>
Creditors: amounts falling due after more than one year	17	(5,000)	(7,500)
Defined benefit pension scheme liability	25	(1,778,000)	(1,805,000)
Total net assets		<u><u>12,660,281</u></u>	<u><u>12,757,008</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	13,769,033	13,876,711
Restricted income funds	18	482,805	513,670
Pension reserve	18	(1,778,000)	(1,805,000)
Total restricted funds	18	<u>12,473,838</u>	<u>12,585,381</u>
Unrestricted income funds	18	<u>186,443</u>	<u>171,627</u>
Total funds		<u><u>12,660,281</u></u>	<u><u>12,757,008</u></u>

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 26 to 57 were approved by the Trustees, and authorised for issue on 01 December 2020 and are signed on their behalf, by:

David Gorsuch
Chair of Trustees

The notes on pages 30 to 57 form part of these financial statements.

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	217,215	169,807
Cash flows from investing activities	22	(150,456)	(56,989)
Cash flows from financing activities	21	(2,500)	(2,500)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		64,259	110,318
Cash and cash equivalents at the beginning of the year		835,313	724,995
Cash and cash equivalents at the end of the year	23, 24	899,572	835,313
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The notes on pages 30 to 57 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 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 2020

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 2020

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 2020

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 15.

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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 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 2020

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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 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 2020**

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	30,156	2,735	32,891
Capital Grants	-	18,462	18,462
	<u>30,156</u>	<u>21,197</u>	<u>51,353</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	74,468	2,356	76,824
Capital Grants	-	60,162	60,162
	<u>74,468</u>	<u>62,518</u>	<u>136,986</u>

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	4,137,600	4,137,600
Pupil premium	65,667	65,667
Other DfE/ESFA grants	327,670	327,670
	<u>4,530,937</u>	<u>4,530,937</u>
Other government grants		
Local authority grants	158,539	158,539
	<u>158,539</u>	<u>158,539</u>
Other educational income		
Trip income	84,782	84,782
Other income	58,483	58,483
	<u>143,265</u>	<u>143,265</u>
	<u>4,832,741</u>	<u>4,832,741</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	4,056,000	4,056,000
Pupil premium	-	68,853	68,853
Other DfE/ESFA grants	-	196,370	196,370
	-	4,321,223	4,321,223
Other government grants			
Local authority grants	-	128,345	128,345
	-	128,345	128,345
Other educational income			
Trip income	3,720	196,640	200,360
Other income	-	51,464	51,464
	3,720	248,104	251,824
	3,720	4,697,672	4,701,392

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	7,968	7,968
Curriculum sales	3,982	3,982
	11,950	11,950

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities (continued)

	Unrestricted funds 2019 £	Total funds 2019 £
Lettings income	8,648	8,648
School fund	13,385	13,385
	<u>22,033</u>	<u>22,033</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	<u>2,866</u>	<u>2,866</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest receivable	<u>550</u>	<u>550</u>

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Academy's educational operations:				
Direct costs	3,314,779	243,844	339,693	3,898,316
Allocated support costs	728,545	387,966	224,630	1,341,141
Teaching school	40,000	-	180	40,180
	<u>4,083,324</u>	<u>631,810</u>	<u>564,503</u>	<u>5,279,637</u>

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure (continued)

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Academy's educational operations:				
Direct costs	3,030,473	240,752	523,006	3,794,231
Allocated support costs	701,177	415,213	244,350	1,360,740
Teaching school	40,340	-	11,672	52,012
	<u>3,771,990</u>	<u>655,965</u>	<u>779,028</u>	<u>5,206,983</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy's educational operations	<u>3,898,316</u>	<u>1,341,141</u>	<u>5,239,457</u>

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy's educational operations	<u>3,794,231</u>	<u>1,360,740</u>	<u>5,154,971</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	3,314,779	3,030,473
Depreciation	282,197	267,689
Educational supplies	88,856	163,556
Examination fees	61,491	62,588
Staff expenses	5,094	5,763
Other direct costs	145,899	264,162
	3,898,316	3,794,231

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	728,545	701,177
Pension cost	34,000	33,000
Technology costs	86,237	75,871
Premises costs	369,607	384,692
Other support costs	110,015	153,490
Legal fees	1,987	2,010
Governance costs	10,750	10,500
	1,341,141	1,360,740

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the trust	322	-	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	11,406	5,501
Depreciation of tangible fixed assets	282,197	267,689
Fees paid to auditors for:		
- audit	8,250	8,000
- other services	5,550	15,813
	<u>8,800</u>	<u>23,813</u>

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,013,815	2,851,182
Social security costs	254,262	246,660
Pension costs	790,524	612,971
	<u>4,058,601</u>	<u>3,710,813</u>
Agency staff costs	24,723	61,177
	<u>4,083,324</u>	<u>3,771,990</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff costs (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	56	53
Administration and support	51	64
Management	5	5
	<u>112</u>	<u>122</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the Academy Trust was £570,131 (2019: £511,487)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Related party transactions - 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:

		2020 £	2019 £
Ms Catherine Darnton Accounting Officer	Remuneration	95,000 - 100,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Ms Carol Brown	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid		0 - 5,000
Mrs Alison Michael (appointed 5 September 2019)	Remuneration	35,000 - 40,000	
	Pension contributions paid	5,000 - 10,000	
Ms Rosemary McKisack (appointed 5 September 2019)	Remuneration	20,000 - 25,000	
	Pension contributions paid	5,000 - 10,000	

Details for Trustees resigning before 1 September 2019 are not shown.

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. 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 2020

14. Tangible fixed assets

	Freehold property and improvements £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	15,445,977	171,809	268,979	27,806	15,914,571
Additions	73,189	13,853	87,477	-	174,519
At 31 August 2020	15,519,166	185,662	356,456	27,806	16,089,090
Depreciation					
At 1 September 2019	1,667,887	109,693	232,474	27,806	2,037,860
Charge for the year	243,844	12,010	26,343	-	282,197
At 31 August 2020	1,911,731	121,703	258,817	27,806	2,320,057
Net book value					
At 31 August 2020	13,607,435	63,959	97,639	-	13,769,033
At 31 August 2019	13,778,090	62,116	36,505	-	13,876,711

Included within freehold property is freehold land at valuation of £5,394,300 (2019: £5,394,300) which is not depreciated.

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	988
Other debtors	-	107
Prepayments and accrued income	96,860	78,236
Tax recoverable	38,554	86,477
	135,414	165,808

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	2,500	2,500
Trade creditors	83,795	39,008
Other taxation and social security	63,552	58,902
Other creditors	70,802	54,953
Accruals and deferred income	140,089	152,961
	<u>360,738</u>	<u>308,324</u>
	2020 £	2019 £
Deferred income at 1 September 2019	83,585	70,049
Resources deferred during the year	91,313	83,585
Amounts released from previous periods	(83,585)	(70,049)
	<u>91,313</u>	<u>83,585</u>

The deferred income is in relation to school trip income received for trips to be delivered in 2020/21 and deferred local authority funding for Autumn 2020.

Other loans is 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.

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

	2020 £	2019 £
Other loans	<u>5,000</u>	<u>7,500</u>

Other loans is a SALIX loan of £5,000 (2019: £7,500) 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. It is repayable at £2,500 per annum over the next 3 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General unrestricted funds	171,627	14,816	-	-	-	186,443
Restricted general funds						
General Annual Grant (GAG)	509,182	4,137,600	(4,050,601)	(155,097)	-	441,084
Pupil Premium	-	65,667	(54,149)	-	-	11,518
Other DfE/ESFA revenue grants	-	327,670	(327,670)	-	-	-
Teaching school grants	4,488	40,000	(40,180)	-	-	4,308
LA grants	-	158,539	(158,539)	-	-	-
Other restricted funds	-	173,421	(147,526)	-	-	25,895
Pension reserve	(1,805,000)	-	(217,000)	-	244,000	(1,778,000)
	<u>(1,291,330)</u>	<u>4,902,897</u>	<u>(4,995,665)</u>	<u>(155,097)</u>	<u>244,000</u>	<u>(1,295,195)</u>
Restricted fixed asset funds						
Fixed asset fund	13,876,711	-	(282,197)	174,519	-	13,769,033
Devolved formula capital	-	18,462	-	(18,462)	-	-
Donations	-	2,735	(1,775)	(960)	-	-
	<u>13,876,711</u>	<u>21,197</u>	<u>(283,972)</u>	<u>155,097</u>	<u>-</u>	<u>13,769,033</u>
Total Restricted funds	<u>12,585,381</u>	<u>4,924,094</u>	<u>(5,279,637)</u>	<u>-</u>	<u>244,000</u>	<u>12,473,838</u>
Total funds	<u><u>12,757,008</u></u>	<u><u>4,938,910</u></u>	<u><u>(5,279,637)</u></u>	<u><u>-</u></u>	<u><u>244,000</u></u>	<u><u>12,660,281</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. 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 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 represent 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 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

	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>13,507,530</u>	<u>4,917,461</u>	<u>(5,206,983)</u>	<u>-</u>	<u>(461,000)</u>	<u>12,757,008</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	13,769,033	13,769,033
Current assets	186,443	848,543	-	1,034,986
Creditors due within one year	-	(360,738)	-	(360,738)
Creditors due in more than one year	-	(5,000)	-	(5,000)
Provisions for liabilities and charges	-	(1,778,000)	-	(1,778,000)
Total	186,443	(1,295,195)	13,769,033	12,660,281

Analysis of net assets between funds - prior period

	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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(340,727)	(289,522)
Adjustments for:		
Depreciation	282,197	267,689
Capital grants from DfE and other capital income	(21,197)	(62,518)
Interest receivable	(2,866)	(550)
Defined benefit pension adjustments	217,000	215,000
Decrease in debtors	30,394	2,650
Increase in creditors	52,414	37,058
Net cash provided by operating activities	217,215	169,807

21. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(2,500)	(2,500)
Net cash used in financing activities	(2,500)	(2,500)

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	2,866	550
Purchase of tangible fixed assets	(174,519)	(120,057)
Capital grants from DfE Group	18,462	60,162
Capital funding received from sponsors and others	2,735	2,356
Net cash used in investing activities	(150,456)	(56,989)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	247,038	835,313
Short-term deposit (less than 3 months)	652,534	-
Total cash and cash equivalents	899,572	835,313

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	835,313	64,259	899,572
Debt due within 1 year	(2,500)	-	(2,500)
Debt due after 1 year	(7,500)	2,500	(5,000)
	825,313	66,759	892,072

25. Pension commitments

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £488,833 (2019 - £316,257).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £160,000 (2019 - £159,000), of which employer's contributions totalled £120,000 (2019 - £120,000) and employees' contributions totalled £ 40,000 (2019 - £39,000). The agreed contribution rates for future years are 19.3 per cent for employers and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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 2020

25. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.20	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.10	3.30

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.2	22.7
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	22.9	24.3
Females	25.6	25.7

Sensitivity analysis

	2020 £000	2019 £000
0.5% decrease in real discount rate	444	463
Mortality assumption - 1 year increase	118	122
0.5% increase in pension increase rate (CPI)	408	392
0.5% increase in the salary increase rate	30	61

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

	2020 £	2019 £
Equities	1,513,400	1,428,990
Corporate bonds	432,400	434,910
Property	129,720	124,260
Cash and other liquid assets	86,480	82,840
Total market value of assets	2,162,000	2,071,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Pension commitments (continued)

The actual return on scheme assets was £(90,000) (2019 - £57,000).

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

	2020 £	2019 £
Current service cost	(290,000)	(238,000)
Past service cost	(13,000)	(64,000)
Interest cost	(34,000)	-
Total amount recognised in the Statement of Financial Activities	(337,000)	(302,000)

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

	2020 £	2019 £
Opened defined benefit obligation	3,876,000	2,945,000
Current service cost	290,000	238,000
Interest cost	73,000	86,000
Employee contributions	40,000	39,000
Actuarial (gains)/losses	(334,000)	518,000
Benefits paid	(18,000)	(14,000)
Past service costs	13,000	64,000
Closing defined benefit obligation	3,940,000	3,876,000

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

	2020 £	2019 £
Opening fair value of scheme assets	2,071,000	1,816,000
Expected return on assets	39,000	53,000
Actuarial (losses)/gains	(90,000)	57,000
Employer contributions	120,000	120,000
Employee contributions	40,000	39,000
Benefits paid	(18,000)	(14,000)
Closing fair value of scheme assets	2,162,000	2,071,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Pension commitments (continued)

	2020 £	2019 £
The amount shown in the Statement of Financial Activities is:		
Changes in financial assumptions	92,000	(776,000)
Changes in demographic assumptions	242,000	258,000
Return on assets excluding amounts included in net interest	(90,000)	57,000
Actuarial gains/(losses) on defined benefit pension schemes	244,000	(461,000)
	2020 £	2019 £
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(3,940,000)	(3,876,000)
Fair value of scheme assets	2,162,000	2,071,000
Defined benefit pension scheme liability	(1,778,000)	(1,805,000)

26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	11,406	11,003
Later than 1 year and not later than 5 years	6,140	11,003
	17,546	22,006

27. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

28. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Gillotts School received grants of £18,530 from The Henley Partnership of Schools, an organisation in which C Darnton is a Director.

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 2020

29. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Core grant	40,000		50,000	
Other income				
Fundraising and other trading activities	-		6,500	
Total income		40,000		56,500
Expenditure				
Direct expenditure				
Direct staff costs	40,000		40,000	
Other direct costs	-		10,000	
Total direct expenditure	40,000		50,000	
Other expenditure				
Other staff costs	-		340	
Other support costs	180		1,672	
Total other expenditure	180		2,012	
Total expenditure		40,180		52,012
(Deficit)/surplus from all sources		(180)		4,488
Teaching school balances at 1 September 2019		4,488		-
Teaching school balances at 31 August 2020		4,308		4,488

