

**Trustees' Report and
Financial Statements for the Year Ended 31 August 2020
for
Great Smeaton Academy Primary School
(A Company Limited by Guarantee)**

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Reference and Administrative Details
for the Year Ended 31 August 2020

MEMBERS:	K Siderman-Wolter Mrs S Dickinson D Vizzard Mrs F Farrow Mrs E A Thurland
TRUSTEES	Mrs E A Thurland Mrs L K Shaw Mrs B Greenwood (Head Teacher and accounting officer) Mrs S Dickinson K Siderman-Wolter (Chair) Mrs C Copeland R E Goodchild Mrs H Simms J Rayfield
COMPANY SECRETARY	Mrs B Greenwood
REGISTERED OFFICE	Great Smeaton Northallerton North Yorkshire DL6 2EQ
REGISTERED COMPANY NUMBER	07730938 (England and Wales)
INDEPENDENT AUDITORS	Davies Tracey Chartered Accountants and Statutory Auditors Swan House Westpoint Road Teesdale Business Park Stockton on Tees TS17 6BP
SOLICITORS	Quality Solicitors BHP LLP Westgate House Faverdale Darlington DL3 0PZ
BANKERS	Yorkshire Bank 116 High Street Northallerton North Yorkshire DL7 8QW

**Trustees' Report
for the Year Ended 31 August 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Great Smeaton and the surrounding area. It has a pupil capacity of 70 and had a roll of 33 in the school census in January 2020.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objective of the charitable company is the operation of Great Smeaton Academy Primary School in the provision of education for pupils of different abilities between the ages of 4 and 11.

In accordance with the articles of association, the charitable company has adopted a scheme of governance approved by the secretary of state of Children, Schools and Families.

The main objectives of the Academy for its continued operation are summarised below:-

- To raise achievements and aspirations of all through high quality teaching
- To deliver a personalised curriculum which is fit for the 21st century through high quality teaching and high quality resources
- To ensure all pupils are actively engaged in the curriculum and are making excellent progress.

Objectives, Strategies and Activities

In setting our objectives the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Great Smeaton Academy Primary School is non selective and offers all pupils a broad curriculum. The pupils who attend the school live mainly in Great Smeaton and its surrounding villages, although some travel from further afield. The Academy is situated in the rural outskirts of Northallerton with easy access to Darlington and Yarm. Great Smeaton Primary Academy is strongly supported by parents, Governors and the local community. It prides itself in having high standards across the curriculum. The school has a happy and welcoming atmosphere.

To assist parents, and to help sustainability, the school runs breakfast and after school clubs. To assist academic achievement, the school delivers more intensive coaching for identified pupils. The Academy also offers its pupils activities and experiences beyond the academic, such as opportunities to participate in a variety of sports including swimming, cross country running, football, netball, hockey and athletics. Various visits are also organised throughout the year to enhance the curriculum and learning experience.

Public benefit

The Governing Body has had due regard to the Charity Commissions public benefit guidance in considering the Academy's objectives and activities. The Academy makes a significant contribution to village life, helping to organise and host village shows and encouraging links with St Eloys Church.

Volunteers

The trustees would like to thank all of the volunteers who help make the school experience so enriching for the pupils at Great Smeaton, including the Friends of Great Smeaton, the governors and trustees, the teachers and local volunteers for the grounds, and curriculum programme.

STRATEGIC REPORT

Achievement and performance

Charitable activities

All staff at school work tirelessly for all our children. Every child is an individual and each have their own special need. We continue to be inclusive and welcome all children regardless of background, culture and ability.

As we move forward, we look towards building on the partnerships we already have and develop the school with closer ties to our wider communities.

We aspire to be the best. We will build on the progress and attainment of our children and set ambitious targets to improve all aspects of our school.

Internal and external factors

It has to be said that last academic year was like no other both nationally and internationally. Such an unprecedented absence from school for most children has had devastating effects in many differing and diverse ways.

The school was without the Head Teacher from December to July as a result of a serious illness. The national lockdown was managed by the Assistant Head and Governors.

Our children, like all other children across the country struggled with any real continuity in their education. At the point of the national lockdown, staff needed to ensure that there were opportunities for children to continue learning from home. Children from different homes had very different experiences and it was challenging to assess children during and after the long absence from school.

By the end of the summer term, most children were coming back into school, with only three children continuing to stay at home. Following all national guidance, all health and safety processes were reviewed and updated to ensure the safety of all staff and children. We update families as new advice is given and we need to add to our practice.

We said goodbye to Ms Lowery who retired at the end of the academic year. Miss Day informed us of her pregnancy in March and as such, we dealt with her safety as being Clinically Extremely Vulnerable from June.

We appointed a part time teacher, Miss Sadiq, to start in September 2020. Once Miss Day's maternity leave begins in November she will have a fixed term additional 0.5 contract to cover the rest of Miss Day's maternity cover.

We took a decision to start the beginning of the academic year with Miss Sadiq in Class One - now known as Acorn Class. This was to mitigate against in year disruption. We have moved to two classes for September 2020. Acorn class has Reception, Years one, two and three. Oak class has Years four, five and six. We have 33 children at the beginning of September and a further child to start after Christmas in Acorn class.

One obvious difference this year is a lack of formal testing results to report. All national formal testing was cancelled by the government and consequently children were assessed by teachers.

Assessment 2019-2020

Effectively Teacher Assessment was the main assessment route although even these were not officially required to be reported. The teacher assessments were also impaired due to the lockdown and the mixed groupings that were required during the latter part of the Summer Term. Normal service did not really resume in terms of classes and learning returning to normal.

STRATEGIC REPORT

Achievement and performance

Year 6 SATs

Although these did not take place, teacher assessments were given to the secondary schools. These took the form of:

- where the children were assessed to be, as best we could, and
- what we thought the children would have achieved in the SATs were everything as normal.

In the normal course of events, without Covid interruption, all the Year 6 children were predicted to reach Expected in Reading, SPAG and the Maths SATs. They would all also have had enough evidence in their books to show Expected in Writing too. The two weaker children of the cohort would have had some extra boosting to help them achieve Expected. However, because of the interruption and lack of consistency in working in the second half of the year, at the time of leaving, I had to report that the two weaker children did not show enough evidence of Expected in Writing.

Year 2 SATs

Again, through a very disrupted year, it is difficult to be accurate with the teacher assessment of the Year 2 children from last year. However, the cohort of four children would all have been expected to reach Expected in Maths. Two of them would have reached Expected in Reading and the other two, Working Towards. In Writing three children would have achieved Expected and one child would be Working Towards.

Year 1 Phonics

The two children in the cohort would have passed the phonics in the normal course of events. However, the interruption to learning has meant some additional phonics sessions this year and they should both pass when they take the phonics assessment in December.

Year 4 Times Tables Test

Out of the three children in the cohort only one would have been assured to pass the test. The other two would have needed considerable extra support to prepare for them, unfortunately regular practice and focus on them was not possible.

Our clubs after school stopped and are yet to be put back in. These will be reviewed after Christmas based on the current national guidance.

We were unable to many of the activities at the end of the last academic year. We were able, however, to give our Year Six children a special 'Prom' that was an evening dinner served by the staff to the six children, with special treats. They really enjoyed it and parents suggested that we continue with this arrangement.

We managed an end of year Celebration Assembly outside. It worked well and thankfully the rain held off.

Mrs Dickinson completed her term of office as Chair of Governors in September and we are hugely grateful for the enormous amount of work and time she has given to the school. There have been many challenges and she has supported the staff and school professionally throughout her term. Mr Siderman-Wolter has replaced her as Chair.

Two members of the village community have spent a great deal of time making the pond area into an amazing area for the children. They have spent hours of their time and we are very grateful for what they have done. Moving forward, we have identified some key priorities that they will work on to make our outside environment more attractive and easy to maintain. We are paying for their time and providing materials to support some on going work.

Financial review

Financial position

The academy incurred net expenditure in respect of the year ended 31 August 2020 of £38,316 (2019 - £10,296) and a net decrease in funds (after actuarial gains and losses) of £54,316 (2019 - £26,296). At 31 August 2020 the academy had net assets of £235,783 (2019 - £290,099).

Investment policy

The School does not have an investment policy because it is a small school with limited funds. It chooses to keep these funds accessible. Should interest rates increase, the school will review this strategy to maximise returns on funds.

STRATEGIC REPORT

Financial review

Reserves policy

The Governors review the reserve levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate levels of free reserves should be equivalent to 1 month of the GAG. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Surplus is also carried forward to aid sustainability in the event of a falling roll and to maintain the quality of teaching staff and current teacher to pupil ratios. At the end of the period, the Academy held free reserves of £12,000.

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.

Fundraising

The Academy does not carry out significant fundraising activities.

Principal risks and uncertainties

The board of trustees has conducted a review of major risks to which the Academy is exposed. Systems and procedures have been established to mitigate those risks identified.

The Academy has a school wide Risk Register which is regularly reviewed. The key risks are:

- The reduction in funding whilst the Government is looking to reduce costs due to the economic climate. The Academy has considerable reliance on continued Government funding through the ESFA. In 2019/20 89% of the Academy's recurring revenue was ultimately public funded. There can be no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- A fall in roll which would be a threat to sustainability
- Staff turnover, including loss of key staff
- Educational performance of the Academy fails

Future plans

As we move forward, the Governors continue to talk with, and explore, Trust options for the school. We remain financially viable and feel that we are in a strong position to talk with appropriate Trusts.

We started the year by assessing the children's academic status in key areas of the curriculum: Reading, writing and mathematics. We established baseline data and much of this year will be focused on building on where individual children are and increasing the rate of progress to narrow the gap established over the last year.

We have started the year with no volunteers in school. We will review this after the Christmas break using the most up to date information and guidance from national government. We would want to bring them back into school to support our interventions with children.

We are engaging with a different kind of sporting competition this year. We have a Service Level Agreement with Duncan Burgess and he is providing virtual competition pathways through Koboca that include such activities as archery and curling.

We continue to have an amazingly generous and supportive group of families who want the best for our school. We will consult them as we move forward to ensure they have a voice in all our plans for their children. Many of them already give us a great deal of their time as governors, members of FROGS and volunteers. Whilst it is a small community, it is also one that is prepared to put an enormous amount of effort into our school. This is always valued and will continue to be as we move within a new world.

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 Governors act as the Trustees for the charitable activities of Great Smeaton Academy Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Great Smeaton Academy Primary School.

During the year under review the Governors held 5 governing body meetings. There were additional meetings of the Finance and Curriculum sub-committees. After completing a skills set audit, Governors were appointed as a member of a sub-committee as appropriate. All Governors are provided with copies of Policies, Procedures, Minutes, Accounts, Budgets, Plans, Terms of Reference and other documents that they need to undertake their role as Governors.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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

Every Trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any procedures, whether criminal or civil, in which judgement is given in favour, or in which he/she is acquitted, or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty, or breach of trust in relation to the affairs of the Academy Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Trustees

Great Smeaton Academy Primary School will continue to appoint Governors on the basis of the knowledge and skills that they can bring to the Governing Body. These areas of expertise include Finance, Legal and Curriculum.

Appointment of Governors:

The members may appoint up to 5 Governors.

The members may appoint 1 staff Governor through such process as they may determine, provided that the total number of Governors (including the Head Teacher), who are employees of the Academy Trust does not exceed one third of the total numbers of the Governors.

The Head Teacher shall be treated for all purposes as being an ex officio Governor.

A minimum of 2 parent Governors shall be elected by parents of registered pupils of the Academy. A parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his/her ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy, and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of parent Governors required shall be made up by parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is reasonably not practical to do so, a person who is the parent of a child of compulsory school age.

Organisational structure

The Academy's unified management structure consists of three levels, the Governors, Head Teacher and Office Manager.

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

The Head Teacher controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Head Teacher is ultimately responsible for the authorisation of day to day spending within agreed budgets, and the Head Teacher and Governors are responsible for the appointment of staff. Spending thresholds can be found in the Budget Policy and in the Academies Financial Handbook. In order to fulfil their responsibilities, the Governing Body has two sub-committees, Finance incorporating staffing, premises and resources, and Curriculum.

Policies and Procedures Adopted for the Induction and Training of Trustees

All governors must complete induction training, and are expected to attend relevant Governor training seminars, and in particular the session titled "New Governor training".

Key management remuneration

Key management remuneration is set by the Governors, benchmarked against similar schools.

Connected Organisations including Related Party Relationships

There are no partner or connected organisations to Great Smeaton Academy.

**Trustees' Report
for the Year Ended 31 August 2020**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

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

.....
K Siderman-Wolter - Trustee

**Governance Statement
for the Year Ended 31 August 2020**

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Great Smeaton Academy Primary 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 of 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 the trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Great Smeaton Academy Primary 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs B Greenwood ((Head Teacher and accounting officer))	4	5
Mrs S Dickinson	5	5
K Sideman-Wolter ((Chair))	4	5
Mrs E A Thurland	5	5
Mrs C Copeland	3	5
R E Goodchild	3	5
Mrs L K Shaw	5	5
Mrs H Simms	5	5
J Rayfield	5	5

Review of Value for Money

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

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

- looking for the best value in all our purchases
- reducing our costs in all financial areas
- embedding all financial procedures within school
- embedding a coherent and consistent system through which all financial decisions and actions are taken

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 charitable company 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 Great Smeaton Academy Primary School for the period 1 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 charitable company 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 charitable company's significant risks that has been in place for the period 1 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.

**Governance Statement
for the Year Ended 31 August 2020**

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Davies Tracey, the external auditor, to perform additional checks.

The auditor'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 income systems
- testing of purchase systems
- testing of payroll systems

The auditor reports to the board of trustees 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.

Review of Effectiveness

As accounting officer the Head Teacher 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 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 general purposes 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 and signed on its behalf by:

.....
K Siderman-Wolter - Trustee

.....
Mrs B Greenwood - Trustee

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020**

As accounting officer of Great Smeaton Academy Primary School I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.

.....
Mrs B Greenwood - Accounting Officer

Date:

**Statement of Trustees' Responsibilities
for the Year Ended 31 August 2020**

The trustees (who act as governors of Great Smeaton Academy Primary School and 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 issued by the Education and Skills Funding Agency, 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" 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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 the 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.

Statement of Trustees' Responsibilities
for the Year Ended 31 August 2020

Approved by order of the board of trustees on and signed on its behalf by:

.....
K Siderman-Wolter - Trustee

Opinion

We have audited the financial statements of Great Smeaton Academy Primary School (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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' and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Other information

The 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 Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the knowledge and understanding of the charitable company 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Craig McBride (Senior Statutory Auditor)
for and on behalf of Davies Tracey
Chartered Accountants and Statutory Auditors
Swan House
Westpoint Road
Teesdale Business Park
Stockton on Tees
TS17 6BP

Date:

Note:

The maintenance and integrity of the Great Smeaton Academy Primary School website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

Respective responsibilities of Great Smeaton Academy Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Great Smeaton Academy Primary School's funding agreement with the Secretary of State for Education 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 period 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.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk and material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Davies Tracey
Chartered Accountants and Statutory Auditors
Swan House
Westpoint Road
Teesdale Business Park
Stockton on Tees
TS17 6BP

Date:

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2020

					2020	2019
	Notes	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	931	4,416	-	5,347	13,031
Charitable activities						
Funding for the academy's educational operations	3	7,464	-	274,511	281,975	291,990
Other trading activities	4	12,853	-	-	12,853	23,927
Other income		12,651	-	-	12,651	1,260
Total		33,899	4,416	274,511	312,826	330,208
EXPENDITURE ON						
Raising funds	6	5,667	-	7,617	13,284	15,432
Charitable activities						
Academy's educational operations	3	2,692	20,663	314,503	337,858	325,072
Total	5	8,359	20,663	322,120	351,142	340,504
NET INCOME/(EXPENDITURE)		25,540	(16,247)	(47,609)	(38,316)	(10,296)
Transfers between funds	18	(39,500)	-	39,500	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		-	-	(16,000)	(16,000)	(16,000)
Net movement in funds		(13,960)	(16,247)	(24,109)	(54,316)	(26,296)
RECONCILIATION OF FUNDS						
Total funds brought forward		25,776	275,413	(11,090)	290,099	316,395
TOTAL FUNDS CARRIED FORWARD		11,816	259,166	(35,199)	235,783	290,099

The notes form part of these financial statements

Balance Sheet
31 August 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	12	247,223	268,931
CURRENT ASSETS			
Debtors	13	8,434	6,994
Cash at bank		56,417	61,279
		64,851	68,273
CREDITORS			
Amounts falling due within one year	14	(19,291)	(16,105)
NET CURRENT ASSETS		45,560	52,168
TOTAL ASSETS LESS CURRENT LIABILITIES		292,783	321,099
PENSION LIABILITY	19	(57,000)	(31,000)
NET ASSETS		235,783	290,099
FUNDS	18		
Unrestricted funds		11,816	25,776
Restricted funds:			
General annual grant (GAG)		4,299	591
Capital grants		32,685	33,465
Other DfE/ESFA grants		17,502	19,319
Inherited fixed asset fund		226,480	240,448
Pension Reserve		(57,000)	(31,000)
Big Lottery Fund Grant		1	1,500
		223,967	264,323
TOTAL FUNDS		235,783	290,099

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
 K Siderman-Wolter - Trustee

**Cash Flow Statement
for the Year Ended 31 August 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(9,278)</u>	<u>3,195</u>
Net cash (used in)/provided by operating activities		<u>(9,278)</u>	<u>3,195</u>
Cash flows from investing activities			
Capital grants from DfE/EFA		<u>4,416</u>	<u>9,001</u>
Net cash provided by investing activities		<u>4,416</u>	<u>9,001</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>61,279</u>	<u>49,083</u>
Cash and cash equivalents at the end of the reporting period		<u><u>56,417</u></u>	<u><u>61,279</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	2020	2019	
	£	£	
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(38,316)	(10,296)	
Adjustments for:			
Depreciation charges	21,708	23,847	
Capital grants from DfE/ESFA	(4,416)	(9,001)	
(Increase)/decrease in debtors	(1,440)	1,292	
Increase/(decrease) in creditors	3,186	(6,647)	
Difference between pension charge and cash contributions	10,000	4,000	
Net cash (used in)/provided by operations	(9,278)	3,195	
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.9.19	Cash flow	At 31.8.20
	£	£	£
Net cash			
Cash at bank	61,279	(4,862)	56,417
	<u>61,279</u>	<u>(4,862)</u>	<u>56,417</u>
Total	<u>61,279</u>	<u>(4,862)</u>	<u>56,417</u>

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Great Smeaton Academy Primary School meets the definition of a public benefit entity under FRS 102.

Great Smeaton Academy Primary School is a private limited company (by guarantee) incorporated in England and Wales. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and principal activities are the operation of a primary school.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

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 period is deducted from income and recognised as a liability.

1. ACCOUNTING POLICIES - continued

Grants

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

Donations

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

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- 4% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Computer equipment	- 20% on cost

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.

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. **ACCOUNTING POLICIES - continued**

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

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

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

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

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The academy recognises termination benefits when it is demonstrably committed to either:

- (i) terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or
- (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	931	-	931	4,030
Capital grants	-	4,416	4,416	9,001
	<u>931</u>	<u>4,416</u>	<u>5,347</u>	<u>13,031</u>

Grants received, included in the above, are as follows:

	2020 £	2019 £
DfE/ESFA capital grants	<u>4,416</u>	<u>9,001</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Grants	-	274,511	274,511	278,231
Other incoming resources	7,464	-	7,464	13,759
	<u>7,464</u>	<u>274,511</u>	<u>281,975</u>	<u>291,990</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	247,493	247,493	247,413
Other DfE/ESFA Grants	-	20,723	20,723	24,218
Pupil Premium	-	6,295	6,295	6,600
	<u>-</u>	<u>274,511</u>	<u>274,511</u>	<u>278,231</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Catering income	5,935	-	5,935	6,450
School trips	1,987	-	1,987	4,877
Other income	4,931	-	4,931	12,600
	<u>12,853</u>	<u>-</u>	<u>12,853</u>	<u>23,927</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

5. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs £	Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Direct costs	9,867	-	3,417	13,284	15,432
Charitable activities					
Academy's educational operations					
Direct costs	212,956	-	27,263	240,219	231,875
Allocated support costs	32,446	19,495	45,698	97,639	93,197
	<u>255,269</u>	<u>19,495</u>	<u>76,378</u>	<u>351,142</u>	<u>340,504</u>

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	21,708	23,847
Auditors' remuneration	3,040	2,950
Auditors' remuneration for non-audit work	1,260	1,225

6. RAISING FUNDS

Costs of fundraising

	2020		2019	
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Staff costs	5,494	4,373	9,867	10,138
Uniforms and catering supplies	173	3,244	3,417	5,294
	<u>5,667</u>	<u>7,617</u>	<u>13,284</u>	<u>15,432</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	2020		2019	
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Direct costs	1,712	238,507	240,219	231,875
Support costs	980	96,659	97,639	93,197
	<u>2,692</u>	<u>335,166</u>	<u>337,858</u>	<u>325,072</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued**

	2020	2019
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	32,446	22,131
Depreciation	7,740	9,878
Premises costs	19,495	22,260
Other support costs	21,641	27,326
Governance costs	16,317	11,602
	<hr/>	<hr/>
Total support costs	97,639	93,197
	<hr/> <hr/>	<hr/> <hr/>

8. TRUSTEES' REMUNERATION AND BENEFITS

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

Mrs B Greenwood (Head Teacher and trustee)
Remuneration £50,000 - £55,000 (2019 - £60,000 - £65,000)
Employer's pension contributions £0 - £5,000 (2019 - £5,000 - £10,000)

Mr R Goodchild (Staff trustee)
Remuneration £45,000 - £50,000 (2019 - £45,000 - £50,000)
Employer's pension contributions £10,000 - £15,000 (2019 - £5,000 - £10,000)

Trustees' expenses

There were no expenses paid to trustees for the year ended 31 August 2020 nor for the year ended 31 August 2019.

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	190,446	193,247
Social security costs	13,658	13,521
Operating costs of defined benefit pension schemes	35,327	26,407
	<hr/>	<hr/>
Supply teacher costs	239,431	233,175
	15,838	1,300
	<hr/>	<hr/>
	255,269	234,475
	<hr/> <hr/>	<hr/> <hr/>

The key management personnel of the academy trust comprise the trustees and the Head Teacher. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £54,716 (2019 - £69,503).

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Teachers	3	3
Administration and support	3	3
Management	1	1
	<hr/>	<hr/>
	7	7
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**9. STAFF COSTS - continued**

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

	2020	2019
£60,001 - £70,000	<u>-</u>	<u>1</u>

10. TRUSTEES' AND OFFICERS' INSURANCE

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	1,628	9,001	2,402	13,031
Charitable activities				
Funding for the academy's educational operations	13,759	-	278,231	291,990
Other trading activities	23,927	-	-	23,927
Other income	<u>1,260</u>	<u>-</u>	<u>-</u>	<u>1,260</u>
Total	<u>40,574</u>	<u>9,001</u>	<u>280,633</u>	<u>330,208</u>
EXPENDITURE ON				
Raising funds	5,603	-	9,829	15,432
Charitable activities				
Academy's educational operations	9,249	27,916	287,907	325,072
Total	<u>14,852</u>	<u>27,916</u>	<u>297,736</u>	<u>340,504</u>
NET INCOME/(EXPENDITURE)	<u>25,722</u>	<u>(18,915)</u>	<u>(17,103)</u>	<u>(10,296)</u>
Transfers between funds	<u>(22,700)</u>	<u>-</u>	<u>22,700</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>-</u>	<u>(16,000)</u>	<u>(16,000)</u>
Net movement in funds	<u>3,022</u>	<u>(18,915)</u>	<u>(10,403)</u>	<u>(26,296)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>22,754</u>	<u>294,328</u>	<u>(687)</u>	<u>316,395</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted Fixed Asset Funds £	Restricted General Funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>25,776</u>	<u>275,413</u>	<u>(11,090)</u>	<u>290,099</u>

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2019 and 31 August 2020	<u>349,225</u>	<u>60,844</u>	<u>17,287</u>	<u>427,356</u>
DEPRECIATION				
At 1 September 2019	<u>108,777</u>	<u>34,759</u>	<u>14,889</u>	<u>158,425</u>
Charge for year	<u>13,968</u>	<u>5,554</u>	<u>2,186</u>	<u>21,708</u>
At 31 August 2020	<u>122,745</u>	<u>40,313</u>	<u>17,075</u>	<u>180,133</u>
NET BOOK VALUE				
At 31 August 2020	<u>226,480</u>	<u>20,531</u>	<u>212</u>	<u>247,223</u>
At 31 August 2019	<u>240,448</u>	<u>26,085</u>	<u>2,398</u>	<u>268,931</u>

Land and buildings are held under a 125 year lease from North Yorkshire County Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease being the major part of the economic life of the assets and the assets being of such a specialist nature that only the academy could use them without modification. The land and buildings were valued on a depreciated replacement cost basis as at 31 August 2012 by DTZ on behalf of the Education and Skills Funding Agency.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	<u>1,828</u>	1,195
VAT	<u>2,593</u>	1,786
Prepayments and accrued income	<u>4,013</u>	4,013
	<u>8,434</u>	<u>6,994</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	5,905	1,639
Social security and other taxes	4,449	4,795
Other creditors	2,635	2,136
Accruals and deferred income	6,302	7,535
	<u>19,291</u>	<u>16,105</u>

Deferred income

	2020	2019
	£	£
Deferred income at 1 September 2019	5,969	4,859
Resources deferred in the year	2,335	5,969
Amounts released from previous years	<u>(5,969)</u>	<u>(4,859)</u>
Deferred income at 31 August 2020	<u>2,335</u>	<u>5,969</u>

Deferred income reflects funding received in respect of future accounting periods.

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	380	760
Between one and five years	<u>-</u>	<u>380</u>
	<u>380</u>	<u>1,140</u>

16. 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 cease to be a member.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

		Restricted		2020
	Unrestricted	Fixed	Restricted	
	fund	Asset	General	Total
	£	Funds	Funds	funds
	£	£	£	£
Fixed assets	-	239,473	7,750	247,223
Current assets	11,816	19,693	33,342	64,851
Current liabilities	-	-	(19,291)	(19,291)
Pension liability	-	-	(57,000)	(57,000)
	<u>11,816</u>	<u>259,166</u>	<u>(35,199)</u>	<u>235,783</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

		Restricted	Restricted	2019
	Unrestricted	Fixed	General	Total
	fund	Asset	Funds	funds
	£	Funds	Funds	£
	£	£	£	£
Fixed assets	-	260,136	8,795	268,931
Current assets	25,776	15,277	27,220	68,273
Current liabilities	-	-	(16,105)	(16,105)
Pension liability	-	-	(31,000)	(31,000)
	<u>25,776</u>	<u>275,413</u>	<u>(11,090)</u>	<u>290,099</u>

18. MOVEMENT IN FUNDS

	At 1.9.19	Net	Transfers	At
	£	movement	between	31.8.20
	£	in funds	funds	£
	£	£	£	£
Unrestricted funds				
General fund	25,776	25,540	(39,500)	11,816
Restricted funds				
General annual grant (GAG)	591	(35,792)	39,500	4,299
Capital grants	33,465	(780)	-	32,685
Other DfE/ESFA grants	19,319	(1,817)	-	17,502
Inherited fixed asset fund	240,448	(13,968)	-	226,480
Pension Reserve	(31,000)	(26,000)	-	(57,000)
Big Lottery Fund Grant	1,500	(1,499)	-	1
	<u>264,323</u>	<u>(79,856)</u>	<u>39,500</u>	<u>223,967</u>
TOTAL FUNDS	<u>290,099</u>	<u>(54,316)</u>	<u>-</u>	<u>235,783</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Gains and	Movement
	resources	expended	losses	in funds
	£	£	£	£
Unrestricted funds				
General fund	33,899	(8,359)	-	25,540
Restricted funds				
General annual grant (GAG)	247,493	(283,285)	-	(35,792)
Capital grants	4,416	(5,196)	-	(780)
Other DfE/ESFA grants	20,723	(22,540)	-	(1,817)
Other grants	6,295	(6,295)	-	-
Inherited fixed asset fund	-	(13,968)	-	(13,968)
Pension Reserve	-	(10,000)	(16,000)	(26,000)
Big Lottery Fund Grant	-	(1,499)	-	(1,499)
	<u>278,927</u>	<u>(342,783)</u>	<u>(16,000)</u>	<u>(79,856)</u>
TOTAL FUNDS	<u>312,826</u>	<u>(351,142)</u>	<u>(16,000)</u>	<u>(54,316)</u>

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
General fund	22,754	25,722	(22,700)	25,776
Restricted funds				
General annual grant (GAG)	473	(22,582)	22,700	591
Capital grants	36,411	(2,946)	-	33,465
Other DfE/ESFA grants	9,840	9,479	-	19,319
Inherited fixed asset fund	254,417	(13,969)	-	240,448
Pension Reserve	(11,000)	(20,000)	-	(31,000)
Big Lottery Fund Grant	3,500	(2,000)	-	1,500
	<u>293,641</u>	<u>(52,018)</u>	<u>22,700</u>	<u>264,323</u>
TOTAL FUNDS	<u>316,395</u>	<u>(26,296)</u>	<u>-</u>	<u>290,099</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	40,574	(14,852)	-	25,722
Restricted funds				
General annual grant (GAG)	249,814	(272,396)	-	(22,582)
Capital grants	9,001	(11,947)	-	(2,946)
Other DfE/ESFA grants	24,218	(14,739)	-	9,479
Other grants	6,601	(6,601)	-	-
Inherited fixed asset fund	-	(13,969)	-	(13,969)
Pension Reserve	-	(4,000)	(16,000)	(20,000)
Big Lottery Fund Grant	-	(2,000)	-	(2,000)
	<u>289,634</u>	<u>(325,652)</u>	<u>(16,000)</u>	<u>(52,018)</u>
TOTAL FUNDS	<u>330,208</u>	<u>(340,504)</u>	<u>(16,000)</u>	<u>(26,296)</u>

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

General Annual Grants must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it should carry forward at 31 August 2020.

Other DfE and government grants include Pupil Premium and SEN funding.

Devolved Capital Grant has been received for expenditure on acquisition and maintenance of fixed assets. The amount shown in the Gains, Losses and Transfers column represents expenditure from this grant that for accounting purposes is classified as revenue expenditure.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

18. MOVEMENT IN FUNDS - continued

The Big Lottery Fund Grant has been received for expenditure on the acquisition of fixed assets.

Unrestricted funds can be used for any purpose at the discretion of the academy.

19. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £2,234 were payable to the schemes at 31 August 2020 (2019 - £1,734) and are included within creditors.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in 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.

Valuation of the teachers' pension scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £281,100 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 period amounted to £18,030 (2019 - £15,702).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £11,000 (2019 - £11,000), of which employer's contributions totalled £9,000 (2019 - £8,000) and employees' contributions totalled £2,000 (2019 - £2,000). The agreed contribution rates for future years are 20.1 per cent for employers and between 5.5 and 12.5 per cent for employees.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**19. PENSION AND SIMILAR OBLIGATIONS - continued**

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

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

	2020	2019
Retiring today		
- Males	22	22
- Females	24	25
Retiring in 20 years		
- Males	24	24
- Females	26	27

Sensitivity analysis

	Base	Discount rate +0.1%	Discount rate -0.1%
	£	£	£
Present value of total obligation	165,000	161,000	170,000
Projected service cost	23,000	22,000	24,000

	Base	Salary increases+0.1%	Salary increases-0.1%
	£	£	£
Present value of total obligation	165,000	165,000	165,000
Projected service cost	23,000	23,000	23,000

	Base	Pension increases+0.1%	Pension increases-0.1%
	£	£	£
Present value of total obligation	165,000	170,000	161,000
Projected service cost	23,000	24,000	22,000

	Base	Mortality assumption- 1 year	Mortality assumption+ 1 year
	£	£	£
Present value of total obligation	165,000	171,000	159,000
Projected service cost	23,000	24,000	22,000

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**19. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(165,000)	(123,000)
Fair value of plan assets	108,000	92,000
	<u>(57,000)</u>	<u>(31,000)</u>
Present value of unfunded obligations	-	-
Deficit	(57,000)	(31,000)
Net liability	(57,000)	(31,000)

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	19,000	12,000
Past service cost	-	-
	<u>19,000</u>	<u>12,000</u>
Actual return on plan assets	10,000	5,000

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	123,000	88,000
Current service cost	19,000	12,000
Contributions by scheme participants	2,000	2,000
Interest cost	2,000	2,000
Actuarial losses/(gains)	24,000	19,000
Benefits paid	(5,000)	-
	<u>165,000</u>	<u>123,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	92,000	77,000
Contributions by employer	9,000	8,000
Contributions by scheme participants	2,000	2,000
Expected return	2,000	2,000
Actuarial gains/(losses)	8,000	3,000
Benefits paid	(5,000)	-
	<u>108,000</u>	<u>92,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Asset gains/(losses) arising during the period	8,000	3,000
Liability gains/(losses) arising during the period	(24,000)	(19,000)
	<u>(16,000)</u>	<u>(16,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
Equities	59.20%	57.90%
Government bonds	20.00%	19.40%
Property	6.60%	7.60%
Cash/liquidity	3.60%	4.60%
Other	10.60%	10.50%
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2020	2019
Discount rate	1.70%	1.90%
Future salary increases	3.45%	3.35%
Future pension increases	2.20%	2.10%
Inflation assumption (CPI)	2.20%	2.10%

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2020.