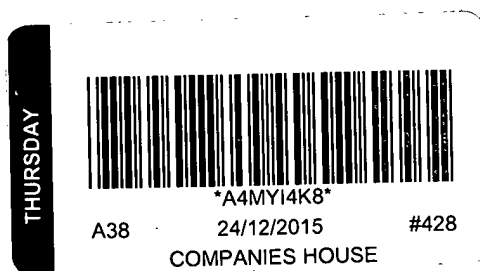


Company Registration No. 07836684 (England and Wales)

**GRETTON PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**



# GRETTON PRIMARY SCHOOL

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# GRETTON PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Deidre Chadwick (Chair of Governors and LA Governor)  
Cheryl Cuthbertson (Head/Staff Governor/Accounting Officer)  
Jacqueline Kelly (Head/Staff Governor)  
Claire Storey (Parent Governor) (Resigned 7 November 2014)  
Alison Silver  
Mark Oliver (Resigned 25 January 2015)  
Nick Bishop (Resigned 31 March 2015)  
Rachel Griffiths  
Rachael Clargo  
Rachael Netting (Staff Governor)  
Stu Richardson (Parent Governor) (Appointed 22 January 2015)  
Alicia Amos (Parent Governor) (Appointed 6 February 2015)  
Claire Storey (Appointed 20 January 2015)

### Members

Cheryl Cuthbertson  
Deirdre Chadwick  
Helen Fisher

### Senior management team

- Co-Headteacher/Governor/Accounting Officer	Cheryl Cuthbertson
- Co-Headteacher/Governor	Jacqueline Kelly
- Staff Governor	Racheal Netting

### Clerk to the governors

Rachel Oliver

### Company registration number

07836684 (England and Wales)

### Registered office

Gretton  
Cheltenham  
Gloucestershire  
GL54 5EY

### Independent auditor

Pitt Godden & Taylor LLP  
Brunel House  
George Street  
Gloucester  
Gloucestershire  
GL1 1BZ

### Bankers

Lloyds Bank plc.  
Rotunda, Montpellier  
Cheltenham  
Glos  
GL50 1SH

# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. 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 4-11 years, serving the rural community of Gretton and its surrounding villages. At the October 2014 census, the school had 96 pupils on roll.

#### **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 are the trustees of Gretton Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Gretton Primary School.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1. The Articles of Association state that the members of the academy comprise of: the signatories of the Memorandum, one person appointed by the Secretary of State, the Chairman of the Governors and any person appointed under Article 16. The Articles of Association require at least three governors to be responsible for the statutory and constitutional affairs of the academy and its management. The number of governors appointed is not subject to any maximum.

##### 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.

##### Governors' indemnities

The Academy Trust provides indemnity insurance to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

##### Method of recruitment and appointment or election of governors

The Academy Trust shall have the following governors;

- i - up to 5 governors appointed by the members,
- ii - any staff of the academy as staff governors as long as they do not exceed one third of the total number of governors, appointed by the members,
- iii – a minimum of 2 parent governors as elected by the parental body,
- iv – up to one LA governor appointed by the LA,
- v – The Head Teacher
- vi – Any governor as appointed by the Secretary of State
- vii – Up to 3 co-opted governors appointed by governors who are not themselves co-opted.

When a parent governor position is vacated, nominations for a replacement are invited by the governing body. All persons entitled to vote on a replacement are then notified of the nominees and a replacement governor is chosen by the parental body.

# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Policies and procedures adopted for the induction and training of governors

All new governors are given an in-house induction session with the Chair of Governors and are given support by experienced governors for their subject monitoring role. In addition external trainers may be brought in or governors may attend external training provision as appropriate. All new governors are expected to attend a training session run by the Local Authority specifically for new governors. However the trust has begun using an external company to provide induction courses for new Business governors in light of the need to cover academy responsibilities especially financial monitoring, which is not adequately addressed by LA training. Governors are provided with a list of all the documents that they will need to undertake their role and where to access these documents.

### Organisational structure

The full governing body meets formally four times per year. Discussions are held and decisions are made or ratified as appropriate. This year, after careful deliberation, the trust has altered the committee structure and the terms of reference for the committees. In order to allow all governors to focus on, and contribute to, their two key areas oversight, there are now two committees only – Curriculum and Business. The committees meet each half-term (six times a year). Curriculum continues to cover all aspects of curriculum monitoring and development and also now oversees the performance management process and any well-being issues. Business undertakes all financial planning and pay and budget monitoring, as well as premises maintenance/ projects and monitoring of health & safety. These committees provide the opportunity for detailed discussion and policy development. Interim decisions are reached at committee for ratification at Full Governing Body meetings. The meeting timetable is structured such that committees meet shortly before the Full Governing Body to ensure discussions at the latter are fully informed and based on up to date information. The day to day running of the academy is delegated to the senior management team who report back to the governors' committees as appropriate.

### Related parties and other connected charities and organisations

During the period the Academy did not have any connected organisations. There are no related party transactions or other financial transactions except as disclosed in note 21 in these accounts.

### **Objectives and activities**

#### Objects and aims

The aim of the academy trust is to achieve its vision of 'learning and working together' by creating a happy and stimulating learning environment, where children receive high-quality teaching and are encouraged to develop their full potential and to be aware of their responsibilities to the community, their families, friends and themselves. The academy trust is committed to on-going self-evaluation at all levels – performance of staff, head, governors and the progress of our children - to ensure provision continues to be developed.

# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Objectives, strategies and activities

During 2014-15 there was a continued focus on developing the quality of teaching & learning and improving pupil progress. A range of strategies were implemented to raise standards in English and Maths, including teaching explicit mental maths strategies in small ability groups across KS2, using a personalised learning ladders approach in Maths lessons, introducing the Gretton Reading Challenge to reward regular reading at home, extending Talk for Writing strategies into KS2 and ensuring phonics and spelling ability groups address new NC requirements. This resulted in challenging targets being achieved across the school.

A whole school focus on triangulating the whole learning experience ensured that the quality of pupils' work, marking and feedback and the learning environment was used to support the judgements made on the quality of teaching and pupil progress.

A new curriculum plan was introduced at the start of the academic year and careful consideration was given to ensuring it was enriching and fully relevant for Gretton pupils, with identified cross-curricular links and opportunities to use and apply skills and knowledge.

A new approach to managing and developing the non-core subject areas was trialled this year; it involved establishing curriculum teams: Humanities (*History, Geography and RE*), Art (*Art, DT and Music*) and Science/Technical (*IT, Science, PE and MFL*). The intention was to ensure a consistency in documentation across curriculum areas and a shared approach to subject development and monitoring, with a close focus on checking the impact of this work on pupils' learning. An emphasis on the progression of skills across the school was also a key part of the approach.

The development of PE provision continued and additional government funding enabled the school to build on the successes of last year. New opportunities, such as bell-boating, were well received by the children and encouraged many of the reluctant participants to shine. Targets for pupil participation in 'sporting' extra-curricular activities were all met.

A specific focus on promoting and developing the Arts ensured children were able to experience enriching opportunities such as: whole class ukulele lessons, an arts performance showcase, participation in a Dance Festival and song-writing workshops culminating in the production of a music CD.

Underpinning much of the work above, there was a whole school focus on developing a Growth Mindset approach and various strategies were used to encourage children and staff to adopt a positive approach and 'can do' attitude towards learning and life.

Considerable financial investment was made within the area of IT: the provision of a set of iPads and the appointment of a technician. These were positive developments and the impact on learning has been very positive although there is still much scope to use this to its full potential.

The other significant area of planned investment over the year was the creation of a new outdoor area for Early Years children. This also allowed a 'quiet' area to be created from the space freed for all children to use at lunchtime.

To further improve the outdoor learning environment and to provide another area for quiet use at lunchtimes, the front garden was redesigned and renovated through a governor led project.

### Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### Achievements and performance

Development work during 2014-15 was focused around the following priorities and outcomes were measured as:

##### 1. Standards

Strategies to continue to raise standards in English and Maths by achieving:

- EYFS – higher than national level of Good Level of Development
- KS1 & KS2 - good progress (represented by 4APS)
- KS2 - above national results for 3 levels of progress

#### Outcomes

- 75% of children achieved a Good Level of Development in EYFS – above county at 64.5%, contextually similar at 72% and national at 66%.
- Phonics target achieved for 93% of children compared to 76% local and 77% national.
- KS1 100% in Reading, Writing and Maths compared to 91% local and national in Reading, 88% in Writing and 93% in Maths.
- KS2 Level 4s higher than local and national in all areas.
- KS2 3 levels of progress in Maths good at 50% and Writing at 67% although 3 levels of progress in Reading was lower than the national level.

#### Key performance indicators

- Quality of teaching
  - Target of 100% good or outstanding lessons observations was achieved, with 27% being outstanding or having outstanding features.
- Standards
  - Target of 100% attainment at Level 4 in Year 6 was just missed with 100% in Reading and Maths and 92% in Writing
  - Target of at least 50% achieving Level 5 was achieved.
  - Target of 4APS progress for all children was reached or exceeded in 17 out of 18 areas.
- Attendance
  - Target of 97% pupil attendance was not met (94%) although unauthorised absence was only 0.5%.
  - Target of zero exclusions achieved.
- Financial management
  - Target of setting and managing a breakeven budget was achieved with a small surplus at the year end.
- Outdoor environment
  - Target of improving the playground provision and Early Years outdoor area was achieved.
- IT investment
  - Target of resourcing IT by investing in hardware and support services achieved by creating an IT plan, leasing of 15 iPads and employing a part-time IT technician for curriculum support.

# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### 2. Quality of Teaching and Learning

Ensure that the quality of pupils' work, marking and feedback and the learning environment support judgements made on the quality of teaching and pupil progress.

##### Outcomes

- Out of 11 lessons observed 100% were good or better. This was a significant improvement from 2011-2012 where out of 17 lessons, 53% were good or better.
- Subject monitoring showed evidence of feedback and marking improving.

#### 3. Developing and Enriching the Curriculum

Establish curriculum teams to manage and develop all other subjects by:

- a curriculum that shows clear progression across all subjects and is relevant to all pupils;
  - English and Maths being applied in other areas of the curriculum;
  - developing PE provision and building on the success of last year;
  - promoting and developing the Arts;
- Using the investment in iPads effectively to support good learning.

##### Outcomes

- Curriculum for both cycles established although more work needs to be done to show clear progression in *all* subjects.
- Further evidence is needed of Maths and English being applied in other areas.
- All development targets for PE were met.
- Effective CPD had an impact on Art development and there was a focus on promoting the Arts and children showcasing their work.
- Governor visits to school found positive attitudes to learning with the iPads and identified specific areas where both children and teachers reported improved engagement in learning (eg Mental Maths) although effective use of iPads for learning in all subjects remains work in progress.

#### 4. Financial management

Set and manage a breakeven budget and provide significant investment in IT and Premises.

##### Outcomes

- Closer monitoring of the budget by increasing the number of Business meetings and more knowledge of financial systems being shared with more governors.
- High quality financial information from the SBM available more frequently.
- All forms of income (capital revenue, recurrent revenue, School Fund and FOGS contributions) were utilised effectively and best value principles were applied to ensure quality outcomes for children whilst still maintaining a sound budget.

#### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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### **Financial review**

The accounting period runs from 1 September 2014 to 31 August 2015. The majority of the academy's income is obtained from the EFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The main financial aim of the governing body is to manage delegated funds in a sound manner for the maximum benefit of the pupils, staff and parents of the school.

The Business Committee manages and monitors delegated funds. Day to day management of the budget is delegated to one of the co-Heads. The SBM oversees reporting requirements and maintains appropriate accounting systems. In addition, the Business Committee monitors the operation of the School Fund account at every meeting. The governing body is responsible for the appointment of external auditors after due diligence and a tendering process by the Business Committee. This year the Business Committee obtained quotations for the appointment of auditors at the end of the existing contract, and employed best value principles to choose and appoint new auditors, who will provide audit and accounting services to the academy trust for the next three years.

The academy's main financial management procedures, including budget setting, monitoring and internal financial control and purchasing, are laid out in the Finance Policy. This policy is reviewed annually by the Business Committee.

The governing body would like to thank the 'Friends of Gretton School' committee for their hard work in raising funds that have been used to support various school activities and school trips. These funds are shown as restricted funds in the statement of financial activities.

### **Reserves policy**

The governing body recognises the need to hold a reserve to protect against possible reductions in future funding and therefore its ability to deliver the academy's longer term objectives. The reserves will be held in line with the DfE guidelines. The aim is to carry forward a sufficient reserve whilst ensuring that this does not affect the academy's current operational activities.

### **Investment policy and powers**

An Investment Policy was agreed by the Business Committee in July 2015 and is included in the Finance Policy and subject to annual review. The Accounting Officer and SBM will monitor implementation of the policy and report to the Business Committee as required.

### **Principal risks and uncertainties**

The academy has an ongoing risk management process. Overall responsibility for risk management rests with the governing body. The Business Committee monitors the type of risk the academy faces, any changing levels of risk and identifies newly emerging risks. Current areas for close monitoring include changes to pupil numbers and the impact on financial planning, management of premises expenditure and exposure to pension shortfalls. The academy employs a part-time School Business Manager to provide sound financial information to the governors and thereby reduce the risk exposure of the academy.

The academy uses an external Independent Reviewer to perform the Responsible Officer role to test procedures and make recommendations to ensure financial systems are robust and risk is minimised.

# **GRETTON PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **Plans for future periods**

- Building a Learning Powered School.  
How? By cultivating a culture of resourcefulness and resilience in our children.
- Development of the new curriculum.  
How? By continuing to develop opportunities to engage and challenge all levels of pupils and sharing good teaching practice.
- Continuing to develop IT.  
How? By investing in staff training and improving hardware provision in line with the IT plan.
- Continuing excellence in PE.  
How? By establishing a PE team of staff to manage all aspects.
- Promoting the Arts.  
How? By developing staff knowledge, creative weeks and giving the children opportunities and experiences.
- Continuing sound financial management.  
How? By managing a reduced budget through control of costs and expenditure without impacting on the quality of teaching and learning.

### **Funds held as custodian trustee on behalf of others**

The academy does not hold any funds as custodian trustee on behalf of others.

### **Auditor**

In so far as the governors are aware:

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

Pitt Godden & Taylor LLP was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report was approved by order of the board of governors, as the company directors, on 07 December 2015 and signed on its behalf by:



Deidre Chadwick  
Chair of Governors and LA Governor

# GRETTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Scope of responsibility

The governing body recognises its role, and the responsibility it carries for ensuring that Gretton 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 or loss.

The governing body has delegated the day-to-day responsibility to Cheryl Cuthbertson, one of the co-heads, 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 Gretton Primary School and the Secretary of State for Education. She is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

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

Governors	Meetings attended	Out of possible
Deidre Chadwick (Chair of Governors and LA Governor)	4	4
Cheryl Cuthbertson (Head/Staff Governor/Accounting Officer)	4	4
Jacqueline Kelly (Head/Staff Governor)	4	4
Claire Storey (Parent Governor) (Resigned 7 November 2014)	4	4
Alison Silver	3	4
Mark Oliver (Resigned 25 January 2015)	0	1
Nick Bishop (Resigned 31 March 2015)	1	2
Rachel Griffiths	3	4
Rachael Clargo	4	4
Rachael Netting (Staff Governor)	3	4
Stu Richardson (Parent Governor) (Appointed 22 January 2015)	3	3
Alicia Amos (Parent Governor) (Appointed 6 February 2015)	3	3

The committee structure and scope of activities changed this year to better reflect the core activities of the academy, namely monitoring the curriculum and standards and financial management and planning. This has enabled all governors to be involved in the detail of one of the key areas on governor responsibility. The appointment of a new Clerk to the Governors has improved the process of organising meetings, overseeing policy review and collecting information on governor training and skills. The annual self-evaluation exercise (based on Governor Mark) was undertaken during the year, as was a skills audit of governors which was used to inform a programme of training.

# GRETTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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The Business Committee is a sub-committee of the main governing body. Its purpose is to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. It regularly reviews the staffing structure, the procedure for appointing staff, the Pay Policy and Performance Management Policy for all staff, the Risk Register and if necessary would also oversee the process leading to staff reductions. It reports to the full governing body with comments and recommendations on all areas outlined above. The skills audit undertaken by the governing body included analysis of financial management skills and knowledge. The Committee has a balance of experienced and new governors which will ensure a smooth succession of governors able to provide strong financial oversight. Training for the newer Business governors included an externally provided course which addressed the role of academy governors in financial management. Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Deidre Chadwick (Chair of Governors and LA Governor)	6	6
Cheryl Cuthbertson (Head/Staff Governor/Accounting Officer)	6	6
Jacqueline Kelly (Head/Staff Governor)	5	6
Claire Storey (Parent Governor) (Resigned 7 November 2014)	5	6
Mark Oliver (Resigned 25 January 2015)	0	2
Nick Bishop (Resigned 31 March 2015)	2	3
Rachel Griffiths	5	6
Stu Richardson (Parent Governor) (Appointed 22 January 2015)	2	3

#### 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.

# **GRETTON PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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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:

- collaborating with other settings and professionals to share good practice and raise standards in the most cost-effective and efficient manner. For example, within the local cluster of schools, staff training opportunities have been shared to achieve economies of scale and minimise costs.
- the school's robust systems of financial governance have been strengthened through the appointment of a new Independent Reviewer to perform an independent check of controls and procedures and to complement the work of the external auditors.
- using established purchasing procedures for any significant purchases or contracts, to ensure different options have been thoroughly considered before making purchasing decisions, including an assessment of the costs and benefits of the alternatives over the longer term. This year, for example, we appointed a new provider for Audit and Accountancy services, joined the Risk Protection Arrangement and renegotiated other insurance services.

Moving forward, one of the key challenges for the academy trust will be to manage an increasingly tight budget. Gloucestershire is one of the most poorly funded counties in terms of per-pupil funding. In addition, there will be significant pressure on the cost base from higher employment costs, such as pension and national insurance costs.

#### **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 continued to be in place in Gretton Primary School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts and beyond.

#### **Capacity to handle risk**

The governing body has delegated to the Business Committee the duty to review the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Business Committee has demonstrated to the governing body that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is reviewed by the governing body.

#### **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 governors;
  - regular reviews by the Business 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.
-

# **GRETTON PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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The governing body has again considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the governors have appointed a new Independent Reviewer for the year 2014-15 to perform the Responsible Officer role. The new Reviewer is Liz Brazier, a qualified accountant and SBM and a former school governor. This role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The Reviewer has provided three written reports to the Governing Body during the period to 31 August 2015 on the operation of the systems of control, advice on financial matters and security and the discharge of the governing body's financial responsibilities. In the instances where the Reviewer has made recommendations for improvement, these have been discussed with the School Business Manager and a cycle of review, amendment of process (where appropriate) and check again has been established.

### **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:

- Feedback from the Business Committee;
- The work of the School Business Manager;
- The work of the RO;
- The work of the external auditor.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 07 December 2015 and signed on its behalf by:



Deidre Chadwick  
Chair of Governors and  
LA Governor



Jacqueline Kelly  
Head/Staff Governor

# **GRETTON PRIMARY SCHOOL**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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As accounting officer of Gretton Primary School I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

Approved on 07 December 2015 and signed by:



Cheryl Cuthbertson  
**Accounting Officer**

# GRETTON PRIMARY SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The governors (who act as trustees for Gretton Primary School and are also the directors of Gretton Primary School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of governors on 07 December 2015 and signed on its behalf by:



Deidre Chadwick  
Chair of Governors and LA Governor



# **GRETTON PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GRETTON PRIMARY SCHOOL**

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We have audited the accounts of Gretton Primary School for the year ended 31 August 2015 set out on pages 19 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 14, the governors, who are also the directors of Gretton Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# **GRETTON PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GRETTON PRIMARY SCHOOL**

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

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



**Claire Bishop (Senior Statutory Auditor)**  
**Pitt Godden & Taylor LLP**

### **Chartered Accountants Statutory Auditor**

Brunel House  
George Street  
Gloucester  
Gloucestershire  
GL1 1BZ

Dated: 7 December 2015

# **GRETTON PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GRETTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gretton Primary School during the period 1 September 2014 to 31 August 2015 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 Gretton Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gretton Primary School and the EFA 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 Gretton Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Gretton Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Gretton Primary School's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. 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 our conclusions included:

- 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 grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines and testing as appropriate; and
- reviewing the minutes of meetings of the governing body and other evidence made available to us, relevant to our consideration of regularity.

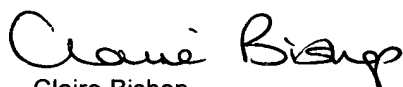
# GRETTON PRIMARY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GRETTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### 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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Claire Bishop

**Reporting Accountant**

Pitt Godden & Taylor LLP

Brunel House

George Street

Gloucester

Gloucestershire

GL1 1BZ

Dated: 07 December 2015

# GRETTON PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £000	Restricted funds £000	Fixed Asset funds £000	Total 2015 £000	Total 2014 £000
<b><u>Incoming resources</u></b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	2	1	5	-	6	4
- Activities for generating funds	3	29	1	-	30	31
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	-	484	-	484	457
<b>Total incoming resources</b>		<b>30</b>	<b>490</b>	<b>-</b>	<b>520</b>	<b>492</b>
<b><u>Resources expended</u></b>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	6	-	496	18	514	498
Governance costs	7	-	5	-	5	6
<b>Total resources expended</b>	<b>5</b>	<b>-</b>	<b>501</b>	<b>18</b>	<b>519</b>	<b>504</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>30</b>	<b>(11)</b>	<b>(18)</b>	<b>1</b>	<b>(12)</b>
Gross transfers between funds		(18)	18	-	-	-
<b>Net income/(expenditure) for the year</b>		<b>12</b>	<b>7</b>	<b>(18)</b>	<b>1</b>	<b>(12)</b>
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(1)	-	(1)	(15)
<b>Net movement in funds</b>		<b>12</b>	<b>6</b>	<b>(18)</b>	<b>-</b>	<b>(27)</b>
Fund balances at 1 September 2014		72	(67)	1,092	1,097	1,124
<b>Fund balances at 31 August 2015</b>		<b>84</b>	<b>(61)</b>	<b>1,074</b>	<b>1,097</b>	<b>1,097</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# GRETTON PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2015

		2015	2014
	Notes	£000	£000
<b>Fixed assets</b>			
Tangible assets	10	1,071	1,089
<b>Current assets</b>			
Debtors	11	22	26
Cash at bank and in hand		115	119
		<u>137</u>	<u>145</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(40)	(70)
<b>Net current assets</b>		<u>97</u>	<u>75</u>
<b>Net assets excluding pension liability</b>		<u>1,168</u>	<u>1,164</u>
Defined benefit pension liability	16	(71)	(67)
<b>Net assets</b>		<u>1,097</u>	<u>1,097</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	14		
- Fixed asset funds		1,074	1,092
- General funds		10	-
- Pension reserve		(71)	(67)
<b>Total restricted funds</b>		<u>1,013</u>	<u>1,025</u>
<b>Unrestricted income funds</b>	14	<u>84</u>	<u>72</u>
<b>Total funds</b>		<u>1,097</u>	<u>1,097</u>

The accounts were approved by order of the board of governors and authorised for issue on 07 December 2015.



Deidre Chadwick

Chair of Governors and LA Governor

Company Number 07836684

# GRETTON PRIMARY SCHOOL

## CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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	Notes	2015 £000	2014 £000
Net cash (outflow) from operating activities	17	(21)	(1)
<b>Capital expenditure and financial investments</b>			
Capital grants received	17		5
Payments to acquire tangible fixed assets	-		(1)
<b>Net cash flow from capital activities</b>		17	4
<b>(Decrease) / increase in cash</b>	18	(4)	3

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# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1 Accounting policies

##### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts. The Academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

##### 1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

##### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.



# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

---

#### 1 Accounting policies

(Continued)

##### 1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

##### Charitable activities

These are costs incurred on the academy trust's educational operations.

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

##### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	2% p.a.
Fixtures, fittings & equipment	20% p.a.

##### 1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 1.7 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.

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 1 Accounting policies

(Continued)

##### 1.8 Pensions 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 and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### 1.9 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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

#### 2 Voluntary income

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Other donations	1	5	6	4

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 3 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Income from Facilities and Services	24	-	24	23
Early Bird Income	4	-	4	3
Swimming Income	1	-	1	1
Supply Teacher Reimbursement	-	1	1	4
	<u>29</u>	<u>1</u>	<u>30</u>	<u>31</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	412	412	411
Capital grants	-	17	17	5
Other DfE / EFA grants	-	39	39	16
	<u>-</u>	<u>468</u>	<u>468</u>	<u>432</u>
<b>Other government grants</b>				
Local authority grants	-	9	9	12
	<u>-</u>	<u>9</u>	<u>9</u>	<u>12</u>
<b>Other funds</b>				
Other incoming resources - trip income	-	7	7	13
	<u>-</u>	<u>7</u>	<u>7</u>	<u>13</u>
<b>Total funding</b>	<u>-</u>	<u>484</u>	<u>484</u>	<u>457</u>

### 5 Resources expended

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2015 £000	Total 2014 £000
<b>Academy's educational operations</b>					
- Direct costs	357	18	96	471	465
- Allocated support costs	36	-	7	43	33
	<u>393</u>	<u>18</u>	<u>103</u>	<u>514</u>	<u>498</u>
<b>Other expenditure</b>					
Governance costs	-	-	5	5	6
	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>6</u>
<b>Total expenditure</b>	<u>393</u>	<u>18</u>	<u>108</u>	<u>519</u>	<u>504</u>

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>5</b>	<b>Resources expended</b>	<b>(Continued)</b>			
	<b>Net income/(expenditure) for the year includes:</b>		<b>2015</b>	<b>2014</b>	
			<b>£000</b>	<b>£000</b>	
	Operating leases				
	- Other		2	-	
	Fees payable to auditor				
	- Audit		4	4	
	- Other services		1	2	
			<u>      </u>	<u>      </u>	
<b>6</b>	<b>Charitable activities</b>				
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>	<b>2015</b>	<b>2014</b>
				<b>£000</b>	<b>£000</b>
	<b>Direct costs</b>				
	Teaching and educational support staff costs	-	355	355	356
	Depreciation	-	18	18	18
	Rent, rates & cleaning	-	7	7	10
	Educational supplies and services	-	20	20	27
	Insurance	-	8	8	7
	Staff development	-	2	2	2
	Educational consultancy	-	2	2	4
	Maintenance of premises & equipment	-	9	9	9
	Other direct costs	-	50	50	32
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
		-	471	471	465
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
	<b>Allocated support costs</b>				
	Support staff costs	-	36	36	31
	IT equipment	-	5	5	-
	Pension finance costs	-	2	2	1
	Other support costs	-	-	-	1
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
		-	43	43	33
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
	<b>Total costs</b>	-	514	514	498
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
<b>7</b>	<b>Governance costs</b>				
		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>	<b>2015</b>	<b>2014</b>
				<b>£000</b>	<b>£000</b>
	Auditor's remuneration				
	- see note 5	-	5	5	6
		<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

### 8 Staff costs

	2015 £000	2014 £000
Wages and salaries	315	321
Social security costs	15	18
Other pension costs	61	48
	<u>391</u>	<u>387</u>
Staff development and other staff costs	2	2
	<u>393</u>	<u>389</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	4	4
Administration and support	5	5
Management	2	2
	<u>11</u>	<u>11</u>

There were no employees whose annual remuneration was £60,000 or more.

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 9 Governors' remuneration and expenses

One or more governors have been paid remuneration or have received other benefits from an employment with the academy trust. The Co-Heads and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Co-Heads and staff members under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

C. Cuthbertson (Co-Head):

- Remuneration £35,000 - £40,000 (2014: £35,000-£40,000)

J. Kelly (Co-Head):

- Remuneration £55,000 - £60,000 (2014: £50,000-£55,000)

R. Netting (staff):

- Remuneration £45,000 - £50,000 (2014: £20,000-£25,000 part year)

The above salary figures are inclusive of employers pension contributions.

During the year, travel and subsistence payments totalling £637 (2014: £76 ) were reimbursed or paid directly to 2 governors (2014: 2 governors).

Other related party transactions involving the governors are set out within the related parties note.

#### Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the Risk Protection Arrangement fee of £20 per pupil.

#### 10 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£000	£000	£000
<b>Cost</b>			
At 1 September 2014 and at 31 August 2015	1,121	13	1,134
<b>Depreciation</b>			
At 1 September 2014	39	6	45
Charge for the year	15	3	18
At 31 August 2015	54	9	63
<b>Net book value</b>			
At 31 August 2015	1,067	4	1,071
At 31 August 2014	1,082	7	1,089

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 10 Tangible fixed assets

(Continued)

Included in land and buildings is leasehold land at valuation of £350,338 (2014: £350,338), which is not depreciated.

11 Debtors	2015 £000	2014 £000
Other debtors	4	6
Prepayments and accrued income	18	20
	<u>22</u>	<u>26</u>
	<u><u>22</u></u>	<u><u>26</u></u>
12 Creditors: amounts falling due within one year	2015 £000	2014 £000
Trade creditors	1	3
Taxes and social security costs	5	6
Other creditors	6	4
Accruals	11	32
Deferred income	17	25
	<u>40</u>	<u>70</u>
	<u><u>40</u></u>	<u><u>70</u></u>
13 Deferred income	2015 £000	2014 £000
Deferred income is included within:		
Creditors due within one year	17	25
	<u>17</u>	<u>25</u>
Total deferred income at 1 September 2014	25	-
Amounts credited to the statement of financial activities	(25)	-
Amounts deferred in the year	17	-
	<u>17</u>	<u>-</u>
Total deferred income at 31 August 2015	<u><u>17</u></u>	<u><u>-</u></u>

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 14 Funds

	Balance at 1 September 2014 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31 August 2015 £000
<b>Restricted general funds</b>					
General Annual Grant	-	412	(453)	18	(23)
Other DfE / EFA grants	-	56	(23)	-	33
Other government grants	-	9	(9)	-	-
Other restricted funds	-	13	(13)	-	-
	<u>-</u>	<u>490</u>	<u>(498)</u>	<u>18</u>	<u>10</u>
Funds excluding pensions	-	490	(498)	18	10
Pension reserve	(67)	-	(3)	(1)	(71)
	<u>(67)</u>	<u>490</u>	<u>(501)</u>	<u>17</u>	<u>(61)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	1,092	-	(18)	-	1,074
	<u>1,092</u>	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>1,074</u>
<b>Total restricted funds</b>	<u>1,025</u>	<u>490</u>	<u>(519)</u>	<u>17</u>	<u>1,013</u>
<b>Unrestricted funds</b>					
General funds	72	30	-	(18)	84
	<u>72</u>	<u>30</u>	<u>-</u>	<u>(18)</u>	<u>84</u>
<b>Total funds</b>	<u>1,097</u>	<u>520</u>	<u>(519)</u>	<u>(1)</u>	<u>1,097</u>

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

The restricted general fund includes grants receivable from the EFA/DfE, LA and other government grants towards the operating activities of the Academy administered by the charitable company.

The fixed asset fund includes amounts receivable from the EFA and other sponsors in respect of tangible fixed assets held for Academy use.

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 could carry forward at 31 August 2015.



# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 15 Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	Total funds £000
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	1,071	1,071
Current assets	124	10	3	137
Creditors falling due within one year	(40)	-	-	(40)
Defined benefit pension liability	-	(71)	-	(71)
	<u>84</u>	<u>(61)</u>	<u>1,074</u>	<u>1,097</u>

### 16 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £6,005 (2014: £6,493) were payable to the schemes at 31 August 2015 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 16 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £31,885.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.7% for employers and 6.1% for employees. The estimated value of employer contributions for the forthcoming year is £19,000.

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.

Contributions made	2015 £000	2014 £000
Employer's contributions	18	16
Employees' contributions	4	3
Total contributions	22	19

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 16 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.0	3.9
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.9
Inflation assumption (CPI)	2.7	1.0
Expected return on assets	3.7	5.5
	<u>      </u>	<u>      </u>

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

	2015 Years	2014 Years
Retiring today		
- Males	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.4	24.4
- Females	27.0	27.0
	<u>      </u>	<u>      </u>

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £000	2014 Expected return %	2014 Fair value £000
Equities	3.7	48	6.3	34
Bonds	3.7	16	3.2	10
	3.7	1	3.3	-
Property	3.7	6	4.5	3
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total market value of assets		71		47
Present value of scheme liabilities - funded		(142)		(114)
		<u>      </u>		<u>      </u>
Net pension asset / (liability)		(71)		(67)
		<u>      </u>		<u>      </u>

The expected return on assets is based on the long-term future expected investment return for each asset class, and are net of an assumed net investment expense. The recommended return assumptions are derived from the Hymans Robertson Asset Model which is a model developed and maintained by Hymans Robertson LLP. The model is used to calculate 5,000 simulations and produce an expected return for which 50% of all possible outcomes will be above and 50% below. The only exception is bond assets which uses the yields applicable at the accounting date of suitable indices.

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 16 Pensions and similar obligations

(Continued)

#### Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	19	15
Past service cost	-	-
	<u>19</u>	<u>15</u>
<b>Total operating charge</b>	<u>19</u>	<u>15</u>
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(3)	(3)
Interest on pension liabilities	5	4
	<u>2</u>	<u>1</u>
<b>Net finance costs/(income)</b>	<u>2</u>	<u>1</u>
<b>Total charge/(income)</b>	<u>21</u>	<u>16</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2015 £000	2014 £000
Actuarial (gains)/losses on assets: actual return less expected	1	9
Experience (gains)/losses on liabilities	-	6
(Gains)/losses arising from changes in assumptions	-	-
	<u>1</u>	<u>15</u>
<b>Total (gains)/losses</b>	<u>1</u>	<u>15</u>
<b>Cumulative (gains)/losses to date</b>	<u>14</u>	<u>13</u>

#### Movements in the present value of defined benefit obligations

	2015 £000	2014 £000
Obligations at 1 September 2014	(114)	(86)
Current service cost	(19)	(15)
Interest cost	(5)	(4)
Contributions by employees	(4)	(3)
Actuarial gains/(losses)	-	(6)
	<u>(142)</u>	<u>(114)</u>
<b>At 31 August 2015</b>	<u>(142)</u>	<u>(114)</u>

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 16 Pensions and similar obligations

(Continued)

#### Movements in the fair value of scheme assets

	2015 £000	2014 £000
Assets at 1 September 2014	47	34
Expected return on assets	3	3
Actuarial gains/(losses)	(1)	(9)
Contributions by employers	18	16
Contributions by employees	4	3
	<u>71</u>	<u>47</u>
At 31 August 2015	<u>71</u>	<u>47</u>

#### History of experience gains and losses

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(142)	(114)	(86)	(69)
Fair value of share of scheme assets	71	47	34	17
	<u>(71)</u>	<u>(67)</u>	<u>(52)</u>	<u>(52)</u>
Surplus / (deficit)	<u>(71)</u>	<u>(67)</u>	<u>(52)</u>	<u>(52)</u>
Experience adjustment on scheme assets	(1)	(9)	(2)	3
Experience adjustment on scheme liabilities	-	(6)	3	-
	<u>(1)</u>	<u>(15)</u>	<u>1</u>	<u>3</u>

### 17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £000	2014 £000
Net income	1	(12)
Capital grants and similar income	(17)	(5)
Defined benefit pension costs less contributions payable	1	(6)
Defined benefit pension finance costs/(income)	2	1
Depreciation of tangible fixed assets	18	18
(Increase)/decrease in debtors	4	(20)
Increase/(decrease) in creditors	(30)	23
	<u>(21)</u>	<u>(1)</u>
Net cash inflow/(outflow) from operating activities	<u>(21)</u>	<u>(1)</u>

# GRETTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>18</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2015</b>	<b>2014</b>
		<b>£000</b>	<b>£000</b>
	Increase/(decrease) in cash	(4)	3
	Net funds at 1 September 2014	119	116
	<b>Net funds at 31 August 2015</b>	<b>115</b>	<b>119</b>

<b>19</b>	<b>Analysis of net funds</b>	<b>At 1 September 2014</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 31 August 2015</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Cash at bank and in hand	119	(4)	-	115

## 20 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Expiry date:		
- Between two and five years	2	-

## 21 Related parties

No related party transactions took place in the period of account.

Nick Bishop, a former Governor, is a partner of Pitt Godden & Taylor LLP, the auditors of the Academy.

## 22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.