

Company Registration No. 07836684 (England and Wales)

GRETTON PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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 2017 census, the school had 99 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.

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 governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000.

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 2018

Policies and procedures adopted for the induction and training of governors

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, although the trust uses external providers for induction courses for new governors in light of the need to cover academy responsibilities especially financial monitoring, which is not adequately addressed by LA training. Governors are provided 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 now meets formally six times per year. Discussions are held and decisions are made and minuted. This year, a re-organization of the governing body structure was implemented, in order to allow all governors to be involved with all the discussions and decisions about the key issues of financial management and oversight and assurance of the education performance of pupils. All the work done by the committees will now be incorporated into one meeting agenda. Workload will be managed by using governors as 'specialists' for one particular area (namely, Safeguarding, Finance, Curriculum, IT, H&S, SEN) and by making as much information as possible shared prior to the meeting. The SBM will attend all governor meetings to ensure that governors continue to have access to high quality information and advice on financial and premises matters. The day to day running of the academy is delegated to the Headteacher who works with the senior management team and reports back to the governors.

Arrangements for setting pay and remuneration of key management personnel

The academy trust has identified key management personnel as the trustees and the Headteacher and Staff Governor who is also the Senior Teacher.

Trustees receive no remuneration for their work on behalf of the academy trust. They are able to claim expenses (eg babysitting) in line with the Governors Allowances Policy which is reviewed annually by the trustees.

The Headteacher and Senior Teacher are remunerated as professional employees of the academy trust. The arrangements for setting their pay and remuneration follow national standards and use the national pay scales at the appropriate level. These procedures are laid out in the trust's Pay Policy which is reviewed annually at the October Full Governors meeting.

The Headteacher and Senior Teacher received an annual performance management review held in the first term. The Headteacher's review was conducted by the academy trust's Chair and Vice Chair and the Senior Teacher's review was conducted by the Headteacher. Reviews always include an evaluation of the previous year's targets and the setting of relevant targets for the next year. The outcomes of reviews are minuted at committee meetings and the decision to award pay scale progression was agreed and minuted by the governors.

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 9 in these accounts.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

Objectives, strategies and activities

In 2017-18 the school had four areas of focus for its work: Maths, English, maintaining high quality teaching and developing writing in foundation subjects.

In Maths, lower KS2 maintained a strong focus on times tables to improve fluency. Upper KS2 continued to follow the model from the year before when they were split into Y5/Y6 year groups for Maths. Teachers began to use a new tracker to better inform progress data. Pre-learning tasks for children continued to be developed and the use of green pen showed that children were re-visiting and self-identifying challenge in their own work.

In English, reading regularly at home was promoted as an important way of increasing children's fluency and evidence from the reading records showed that the number of children reading at home regularly increased. Spellodrome and No Nonsense Grammar were used regularly every week in school in order to maximise children's progress in writing and improve standards in SPAG. Staff meetings on writing moderation were held and the children's awareness of their own targets in writing were evidenced from their books.

Maintaining high quality teaching concentrated on developing the role of TAs and developing teacher CPD. A new cluster was joined (Cleeve Hill cluster) and staff CPD included sessions with other cluster schools. Peer coaching continued to have a positive impact on teacher professional practice. The role of TAs continued to be developed through CPD and support and evidence of positive impact of this on lessons and pupil progress meetings has been seen.

Teacher monitoring shows that children are applying their writing skills consistently across a range of subjects (e.g. Science, History and Geography) and that teachers have the same expectations of writing in foundation subjects. Refinements to the Gretton curriculum were also made, adapting topics as necessary ensuring that there is a wide repertoire of stimulating learning opportunities that engage and challenge all pupils.

The PE Premium this year enabled PE to maintain a high profile, with new equipment being purchased. Staff time to develop assessment grids for this subject was also enabled.

Once again, significant financial investment was made in IT, both at staff and pupil level. New iPads were purchased and new interactive screens were also purchased this year. In the summer holidays, phase one of a playground improvement project was carried out, utilising funds from school reserves and donations from parents and FOGS.

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 2018

Achievements and performance

Key performance measures for 2017-18 standards were as follows:

- Maths ARE: KS1 and KS2 Maths results at expected standard were 67% and 100% respectively (national results were 76% for both key stages).
- Maths GDS: KS1 and KS2 Maths results at greater depth were 20% and 13% respectively (national results were 22% and 24% respectively).
- Reading ARE: KS1 and KS2 Reading results at expected standard were 73% and 100% respectively (national results were 75% for both key stages).
- Reading GDS: KS1 and KS2 results at greater depth were 20% and 53% respectively (national results were 26% and 28% respectively).
- Writing ARE: KS1 and KS2 Writing results at expected standard were 67% and 93% respectively (national results were 70% and 78% respectively).
- Writing GDS: KS1 and KS2 Writing results at greater depth were 7% and 27% respectively (national results were 16% and 20% respectively).

Key performance indicators

- Quality of teaching
 - Performance management reviews of staff were all positive and satisfactory.
- Standards
 - Target of expected standard in Reading, Writing and Maths combined at national level for KS2 was achieved with 93% compared with 64% nationally in 2018.
 - Target of Y1 Phonics test remaining above national result was met with school achieving 100% compared with national level of 82% in 2018.
 - EYFSP Good level of development summary score to remain above national result was met with school achieving 75% compared with national level of 71.5% in 2018.
- Attendance
 - Target of 97% pupil attendance was just missed at 96.6%.
 - Target of zero exclusions was achieved.
- Financial management
 - Target of setting and managing a breakeven budget was achieved with a small surplus at the year end.
 - Target of utilising all forms of income (capital revenue, recurrent revenue, reserves, School Fund and FOGS contributions) to provide increased resourcing was achieved.
 - Target of timely and high quality financial information for Governors to aid effective decision making was achieved and evidenced during audit.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Going concern

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

Financial review

The accounting period runs from 1 September 2017 to 31 August 2018. The majority of the academy's income is obtained from the ESFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 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.

Governors oversee and monitor delegated funds. Day to day management of the budget is delegated to the Head. The SBM undertakes reporting requirements and maintains appropriate accounting systems. In addition, governors monitor 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 following the principles of best value.

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 governors.

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.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

The total funds of the academy as at 31 August 2018 were £1,045k (2017 £1,043k). This includes unrestricted general funds of £101k (2017 £99k). The governing body aims to set a breakeven operating budget each financial year and will only consider using unrestricted general funds for specific, clearly defined projects outside the day to day activities of the academy. Restricted general funds, excluding pension liabilities, amounted to £5k (2017 £3k). This will be utilised for improvements to the playground facilities over the coming year. Restricted fixed asset funds totalled £1,032k (2017 £1,043k), being the tangible fixed assets of the academy, which can only be realised on the disposal of the assets.

Restricted general funds include a Local Government Pension Scheme (LGPS) deficit of £93k (2017 £102k). The governing body recognises that whilst this pension deficit is unlikely to crystallise in the short to medium term, the impact on the academy will be the cash flow effect of increased employer's pension contributions over a period of years. The academy will aim as far as practicable to meet any such increases in pension contributions through the academy's budgeted annual income to avoid impact on general reserves.

Investment policy and powers

The Investment Policy is included in the Finance Policy and as such, subject to annual review. The Accounting Officer and SBM will monitor implementation of the policy and report to the governors as required. Funds surplus to immediate cash requirements will be deposited in a low-risk, high interest account for a period of twelve months.

Principal risks and uncertainties

The academy has an ongoing risk management process. Overall responsibility for risk management rests with the governing body. Governors monitor the type of risk the academy faces, any changing levels of risk and identifies newly emerging risks. 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 minimized.

As a small rural school, one area for close monitoring remains changes to pupil numbers, with the subsequent financial impact that would bring. The trust's strategy for managing this risk is to maintain its reputation for high quality education and to control costs carefully year on year. However, during this year, the two most significant risks facing the academy were in relation to funding and to staff costs. Funding at a national level as well as at school census level has been a concern and the staff wages bill as a percentage of revenue continues to increase. Mitigations for these risks is limited since they are largely outside the trust's control, but financial planning has taken account of 'worse case' scenarios.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

- Ensure outcomes for all children show steady improvement.
How? Embed effective subject leadership, install interactive teaching resources, establish a new monitoring policy, complete the new school website and maintain a broad skills base across the governing body.
- Pupil personal development.
How? Continue improvements to outside play and learning areas, improve the use of the library and maintain existing high standard of pupils' personal development.
- Continuous improvement in the quality of teaching and learning.
How? Review the existing curriculum, establish new policies and continue to embed assessment procedures.
- Continuous improvement in the attainment outcomes for pupils.
How? Maintain high scores for EYFS and Y1 Phonics check, improve progress from prior stage starting points for both KS1 and KS2, ensure more children achieve higher standard/greater depth scores in 2019 SATs.
- Continue sound financial planning.
How? By managing a reduced budget through control of costs and expenditure and use of general reserves to maximise the opportunities for impact 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.

A resolution proposing that Pitt Godden & Taylor LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report was approved by order of the board of governors, as the company directors, on 10 December 2018 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 2018

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 Richard Woolston, the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Gretton Primary School and the Secretary of State for Education. He 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 six 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)	6	6
Richard Woolston (Head/Accounting Officer) (Appointed 1 September 2017)	6	6
Rachael Clargo (Parent Governor)	6	6
Rachael Netting (Staff Governor)	5	6
Stu Richardson (Parent Governor)	5	6
Alicia Amos (Parent Governor) (Resigned 14 September 2018)	3	3
Lesley Warmington	5	6
Anne Hanson (Appointed 4 December 2017)	4	5

The governors' focus reflects the core activities of the academy: monitoring the curriculum and standards and financial management and planning. Governors have received training over the year, most of which has been through external providers.

With regards to financial management and value for money, governor activities have included management of the academy's finances and resources, including proper planning, monitoring and probity, regular review of the staffing structure, the Pay Policy and performance management procedure for all staff. Governors also review the Risk Register and other financial and business policies.

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 2018

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
- 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.
- the school's robust systems of financial governance include the work of the Independent Reviewer to perform an independent check of controls and procedures and to complement the work of the external auditors.

Moving forward, one of the key challenges for the academy trust will be to manage an increasingly tight budget, with implementation and impact of funding changes not yet clear.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's 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 Gretton Academy Trust Limited for the period ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has a 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. Governors have evidenced 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements and that 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:

- 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 governors of reports which indicate financial performance against the forecasts, 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 2018

The governing body have again considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the governors have appointed an Independent Reviewer for the year 2017-18 to perform the Responsible Officer role. The 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 two written reports to the governing body during the period to 31 August 2018 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 continued.

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:

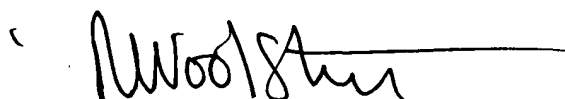
- Feedback from governors;
- The work of the School Business Manager;
- The work of the Independent Reviewer;
- The work of the external auditor.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the governors 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 10 December 2018 and signed on its behalf by:



Deidre Chadwick
Chair of Governors and
LA Governor



Richard Woolston
Head/Accounting Officer

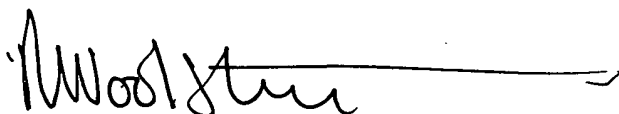
GRETTON PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Gretton Primary School I have considered my responsibility to notify the academy trust board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 ESFA.



Richard Woolston
Accounting Officer

10 December 2018

GRETTON PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

Company law requires the governors to prepare 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 ESFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 members of the board of governors on 10 December 2018 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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Gretton Primary School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

GRETTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report, including the incorporated strategic report.

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

- 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.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

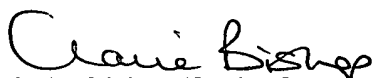
GRETTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Bishop (Senior Statutory Auditor)
for and on behalf of Pitt Godden & Taylor LLP

10 December 2018

Chartered Accountants
Statutory Auditor

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

GRETTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 5 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Gretton Primary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Gretton Primary School and ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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.

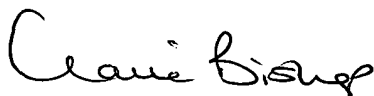
GRETTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Pitt Godden & Taylor LLP
Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

Dated: 10 December 2018

GRETTON PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	4	2	5	4	11	3
Charitable activities:						
- Funding for educational operations	5	-	451	-	451	461
Other trading activities	3	10	-	-	10	6
Total income and endowments		<u>12</u>	<u>456</u>	<u>4</u>	<u>472</u>	<u>470</u>
Expenditure on:						
Charitable activities:						
- Educational operations	6	-	476	19	495	498
Total expenditure	7	<u>-</u>	<u>476</u>	<u>19</u>	<u>495</u>	<u>498</u>
Net income/(expenditure)		12	(20)	(15)	(23)	(28)
Transfers between funds		(10)	6	4	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	25	-	25	6
Net movement in funds		<u>2</u>	<u>11</u>	<u>(11)</u>	<u>2</u>	<u>(22)</u>
Reconciliation of funds						
Total funds brought forward		<u>99</u>	<u>(99)</u>	<u>1,043</u>	<u>1,043</u>	<u>1,065</u>
Total funds carried forward		<u>101</u>	<u>(88)</u>	<u>1,032</u>	<u>1,045</u>	<u>1,043</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. Net movement in funds also constitutes total comprehensive income, 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.

GRETTON PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £000	General £000	Restricted funds: Fixed asset £000	Total 2017 £000
Income and endowments from:					
Donations and capital grants	4	2	1	-	3
Charitable activities:					
- Funding for educational operations	5	-	461	-	461
Other trading activities	3	6	-	-	6
Total income and endowments		<u>8</u>	<u>462</u>	<u>-</u>	<u>470</u>
Expenditure on:					
Charitable activities:					
- Educational operations	6	-	480	18	498
Total expenditure	7	<u>-</u>	<u>480</u>	<u>18</u>	<u>498</u>
Net income/(expenditure)		8	(18)	(18)	(28)
Transfers between funds		(9)	3	6	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	6	-	6
Net movement in funds		(1)	(9)	(12)	(22)
Reconciliation of funds					
Total funds brought forward		100	(90)	1,055	1,065
Total funds carried forward		<u>99</u>	<u>(99)</u>	<u>1,043</u>	<u>1,043</u>

GRETTON PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£000	£000
Fixed assets			
Tangible assets	11	1,032	1,043
Current assets			
Debtors	13	24	17
Cash at bank and in hand		118	122
		142	139
Current liabilities			
Creditors: amounts falling due within one year	14	(36)	(37)
Net current assets		106	102
Net assets excluding pension liability		1,138	1,145
Defined benefit pension scheme liability	18	(93)	(102)
Net assets		1,045	1,043
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		1,032	1,043
- Restricted income funds		5	3
- Pension reserve		(93)	(102)
Total restricted funds		944	944
Unrestricted income funds	17	101	99
Total funds		1,045	1,043

The accounts on pages 19 to 40 were approved by the governors and authorised for issue on 10 December 2018 and are signed on their behalf by:



Deidre Chadwick
Chair of Governors and LA Governor

Company Number 07836684

GRETTON PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	-	7
Cash flows from investing activities			
Capital funding received from sponsors and others		4	-
Purchase of tangible fixed assets		(8)	(6)
Net cash used in investing activities		(4)	(6)
Net (decrease)/increase in cash and cash equivalents in the reporting period		(4)	1
Cash and cash equivalents at beginning of the year		122	121
Cash and cash equivalents at end of the year		118	122

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Gretton Primary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Gretton Primary School meets the definition of a public benefit entity under FRS 102.

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. The governors 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 accounts.

1.3 Income

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

Grants

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

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

Capital grants are recognised 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.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

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 leasehold 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.

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.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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 quadrennial valuations using a projected unit method. The 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 are recognised in the period to which they relate..

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.11 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 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust 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 estimates and underlying assumptions for depreciation are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The carrying amounts of fixed assets are shown in the notes to the accounts.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no particular areas of judgement.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Early Bird Income	9	-	9	5
Swimming Income	1	-	1	1
	<u>10</u>	<u>-</u>	<u>10</u>	<u>6</u>

4 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Other donations	2	9	11	3
	<u>2</u>	<u>9</u>	<u>11</u>	<u>3</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General annual grant (GAG)	-	391	391	394
Other DfE group grants	-	51	51	41
	<u>-</u>	<u>442</u>	<u>442</u>	<u>435</u>
Other government grants				
Local authority grants	-	-	-	12
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>
Other funding				
Other incoming resources	-	9	9	14
	<u>-</u>	<u>9</u>	<u>9</u>	<u>14</u>
Total funding	<u>-</u>	<u>451</u>	<u>451</u>	<u>461</u>

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Direct costs				
Teaching and educational support staff costs	-	316	316	328
Depreciation	-	19	19	18
Rent, rates & cleaning	-	11	11	10
Educational supplies and services	-	23	23	22
Insurance	-	4	4	5
Staff development	-	-	-	1
Educational consultancy	-	2	2	2
Maintenance of premises & equipment	-	7	7	9
Other direct costs	-	50	50	47
	<u>-</u>	<u>432</u>	<u>432</u>	<u>442</u>
Allocated support costs				
Support staff costs	-	54	54	45
IT equipment	-	1	1	4
Pension finance costs	-	3	3	2
Governance costs	-	5	5	5
	<u>-</u>	<u>63</u>	<u>63</u>	<u>56</u>
Total costs	<u>-</u>	<u>495</u>	<u>495</u>	<u>498</u>

7 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Academy's educational operations					
- Direct costs	316	19	97	432	442
- Allocated support costs	54	-	9	63	56
	<u>370</u>	<u>19</u>	<u>106</u>	<u>495</u>	<u>498</u>

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Fees payable to auditor for:		
- Audit	4	4
- Other services	1	1
Operating lease rentals	-	1
Depreciation of tangible fixed assets	19	18
Net interest on defined benefit pension liability	3	2

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

8 Staff

Staff costs

Staff costs during the year were:

	2018 £000	2017 £000
Wages and salaries	286	292
Social security costs	19	19
Pension costs	65	62
	<hr/>	<hr/>
Staff costs	370	373
Staff development and other staff costs	-	1
	<hr/>	<hr/>
Total staff expenditure	370	374
	<hr/>	<hr/>

Staff numbers

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

	2018 Number	2017 Number
Teachers	5	6
Administration and support	13	14
Management	2	2
	<hr/>	<hr/>
	20	22
	<hr/>	<hr/>

Higher paid staff

There were no employees whose annual remuneration (excluding pensions contributions) was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £118,000.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 Head and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head 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:

R. Woolston (Head):

Remuneration £60,000 - £65,000 (2017: J. Kelly: £60,000-£65,000)

R. Netting (staff):

Remuneration £45,000 - £50,000 (2017: £45,000-£50,000)

A. Amos

Remuneration £0- £5,000 (2017: £0- £5,000)

The above salary figures are inclusive of employers pension contributions.

During the year, payments for classroom materials, mileage and other school resources totalling £198 (2017: £328) were reimbursed or paid directly to 2 governors (2017: 2 governors).

10 Governors and officers insurance

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

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£000	£000	£000
Cost			
At 1 September 2017	1,121	22	1,143
Additions	-	8	8
	<u>1,121</u>	<u>30</u>	<u>1,151</u>
At 31 August 2018	1,121	30	1,151
Depreciation			
At 1 September 2017	85	15	100
Charge for the year	16	3	19
	<u>101</u>	<u>18</u>	<u>119</u>
At 31 August 2018	101	18	119
Net book value			
At 31 August 2018	1,020	12	1,032
	<u>1,036</u>	<u>7</u>	<u>1,043</u>
At 31 August 2017	1,036	7	1,043

Included in land and buildings is leasehold land at valuation of £350,338 (2017: £350,338), which is not depreciated.

12 Financial instruments

	2018 £000	2017 £000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	8	4
	<u>8</u>	<u>4</u>
Carrying amount of financial liabilities		
Measured at amortised cost	16	17
	<u>16</u>	<u>17</u>

13 Debtors

	2018 £000	2017 £000
Other debtors	9	4
Prepayments and accrued income	15	13
	<u>24</u>	<u>17</u>

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

14	Creditors: amounts falling due within one year	2018	2017
		£000	£000
	Trade creditors	-	3
	Other taxation and social security	2	5
	Other creditors	6	6
	Accruals and deferred income	28	23
		<u>36</u>	<u>37</u>
15	Deferred income	2018	2017
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	18	15
		<u>18</u>	<u>15</u>
	Deferred income at 1 September 2017	15	18
	Released from previous years	(15)	(18)
	Resources deferred in the year	18	15
		<u>18</u>	<u>15</u>
	Deferred income at 31 August 2018	18	15
		<u>18</u>	<u>15</u>

Deferred income as at 31 August 2018 comprises: School dinner money £9,177 (2017: £9,815) and trip income £8,866 (2017: £5,294).

16	Analysis of net assets between funds	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	Funds
		£000	£000	£000	£000
	Fund balances at 31 August 2018 are represented by:				
	Tangible fixed assets	-	-	1,032	1,032
	Current assets	137	5	-	142
	Creditors falling due within one year	(36)	-	-	(36)
	Defined benefit pension liability	-	(93)	-	(93)
		<u>101</u>	<u>(88)</u>	<u>1,032</u>	<u>1,045</u>
	Total net assets	101	(88)	1,032	1,045
		<u>101</u>	<u>(88)</u>	<u>1,032</u>	<u>1,045</u>

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	1,043	1,043
Current assets	136	3	-	139
Creditors falling due within one year	(37)	-	-	(37)
Defined benefit pension liability	-	(102)	-	(102)
Total net assets	99	(99)	1,043	1,043

17 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	391	(397)	6	-
Other DfE / ESFA grants	-	51	(46)	-	5
Other restricted funds	3	14	(17)	-	-
Pension reserve	(102)	-	(16)	25	(93)
	(99)	456	(476)	31	(88)
Restricted fixed asset funds					
DfE group capital grants	1,043	-	(19)	4	1,028
Private sector capital sponsorship	-	4	-	-	4
	1,043	4	(19)	4	1,032
Total restricted funds	944	460	(495)	35	944
Unrestricted funds					
General funds	99	12	-	(10)	101
Total funds	1,043	472	(495)	25	1,045

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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 2018.

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	394	(397)	3	-
Other DfE / ESFA grants	-	41	(41)	-	-
Other government grants	-	12	(12)	-	-
Other restricted funds	7	15	(19)	-	3
Pension reserve	(97)	-	(11)	6	(102)
	<u>(90)</u>	<u>462</u>	<u>(480)</u>	<u>9</u>	<u>(99)</u>
Restricted fixed asset funds					
DfE group capital grants	1,055	-	(18)	6	1,043
	<u>1,055</u>	<u>-</u>	<u>(18)</u>	<u>6</u>	<u>1,043</u>
Total restricted funds	<u>965</u>	<u>462</u>	<u>(498)</u>	<u>15</u>	<u>944</u>
Unrestricted funds					
General funds	100	8	-	(9)	99
	<u>100</u>	<u>8</u>	<u>-</u>	<u>(9)</u>	<u>99</u>
Total funds	<u>1,065</u>	<u>470</u>	<u>(498)</u>	<u>6</u>	<u>1,043</u>

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	785	(794)	9	-
Other DfE / ESFA grants	-	92	(87)	-	5
Other government grants	-	12	(12)	-	-
Other restricted funds	7	29	(36)	-	-
Pension reserve	(97)	-	(27)	31	(93)
	<u>(90)</u>	<u>918</u>	<u>(956)</u>	<u>40</u>	<u>(88)</u>
Restricted fixed asset funds					
DfE group capital grants	1,055	-	(37)	10	1,028
Private sector capital sponsorship	-	4	-	-	4
	<u>1,055</u>	<u>4</u>	<u>(37)</u>	<u>10</u>	<u>1,032</u>
Total restricted funds	<u>965</u>	<u>922</u>	<u>(993)</u>	<u>50</u>	<u>944</u>
Unrestricted funds					
General funds	<u>100</u>	<u>20</u>	<u>-</u>	<u>(19)</u>	<u>101</u>
Total funds	<u>1,065</u>	<u>942</u>	<u>(993)</u>	<u>31</u>	<u>1,045</u>

18 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 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 2016.

Contributions amounting to £6,021 (2017: £6,330) were payable to the schemes at 31 August 2018 and are included within creditors.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

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 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

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.

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £32,546 (2017: £32,419).

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 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 30.1% for employers and 6.3% for employees. The estimated value of employer contributions for the forthcoming year is £21,000.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 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 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.

Total contributions made	2018 £000	2017 £000
Employer's contributions	20	21
Employees' contributions	4	5
Total contributions	24	26

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	3.4	3.4

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

	2018 Years	2017 Years
Retiring today		
- Males	22.4	22.4
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.4	26.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
0.5% decrease in Real Discount Rate	34	30
0.5% increase in the Salary Increase Rate	3	3
0.5% increase in Pension Increase Rate	31	27

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2018 Fair value £000	2017 Fair value £000
Equities	119	102
Bonds	36	27
Cash	3	3
Property	14	10
Total market value of assets	<u>172</u>	<u>142</u>

The actual return on scheme assets was £9,000 (2017: £8,000).

Amount recognised in the Statement of Financial Activities	2018 £000	2017 £000
Current service cost	33	30
Interest income	(4)	(2)
Interest cost	7	4
Total operating charge	<u>36</u>	<u>32</u>

Changes in the present value of defined benefit obligations	2018 £000
At 1 September 2017	244
Current service cost	33
Interest cost	7
Employee contributions	4
Actuarial gain	(20)
Benefits paid	(3)
At 31 August 2018	<u>265</u>

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations	(Continued)	
Changes in the fair value of the academy trust's share of scheme assets		
		2018 £000
At 1 September 2017		142
Interest income		4
Actuarial gain		5
Employer contributions		20
Employee contributions		4
Benefits paid		(3)
		<u>172</u>
At 31 August 2018		<u>172</u>
19 Reconciliation of net expenditure to net cash flow from operating activities	2018 £000	2017 £000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(23)	(28)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(4)	-
Defined benefit pension costs less contributions payable	13	9
Defined benefit pension net finance cost	3	2
Depreciation of tangible fixed assets	19	18
(Increase)/decrease in debtors	(7)	5
(Decrease)/increase in creditors	(1)	1
	<u>-</u>	<u>7</u>
Net cash provided by operating activities	<u>-</u>	<u>7</u>
20 Commitments under operating leases		
At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:		
	2018 £000	2017 £000
Amounts due in two and five years	2	3
	<u>2</u>	<u>3</u>
21 Capital commitments	2018 £000	2017 £000
Expenditure contracted for but not provided in the accounts	7	-
	<u>7</u>	<u>-</u>

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

22 Related party transactions

No related party transactions took place in the period of account except as disclosed in note 9.

23 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.