

Report of the Trustees and  
Financial Statements For The Year Ended 31 August 2018  
for  
South Ossett Infants' Academy Trust



Allotts Business Services Ltd, Statutory Auditor  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

**South Ossett Infants' Academy Trust**

**Contents of the Financial Statements**  
**For The Year Ended 31 August 2018**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 8
Governance Statement	9 to 11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees Responsibilities	13
Report of the Independent Auditors	14 to 15
Independent Accountant's Report on Regularity	16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21 to 36

**South Ossett Infants' Academy Trust**

**Reference and Administrative Details**  
**For The Year Ended 31 August 2018**

<b>MEMBERS</b>	T H M Shute J Jones (appointed 8.12.2017) Ossett Community Trust C Rispin (resigned 8.12.2017)
<b>TRUSTEES</b>	R Walker T H M Shute J E Frazer T Sargeant C Rispin (resigned 8.12.2017) A Ryan J Jones K Stuart A Moorhouse (resigned 31.8.2018) H E Field-Andrews (resigned 31.8.2018)
<b>SENIOR MANAGEMENT TEAM</b>	T H M Shute (Headteacher) J E Frazer (Senior Teacher) Y Smith (Business Manager)
<b>REGISTERED OFFICE</b>	Vicar Lane Ossett West Yorkshire WF5 0BE
<b>REGISTERED COMPANY NUMBER</b>	07851205 (England and Wales)
<b>AUDITORS</b>	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants The Old Grammar School 13 Moorgate Road Rotherham South Yorkshire S60 2EN
<b>SOLICITORS</b>	Wrigleys Solicitors LLP 19-21 Cookridge Street Woodhouse Leeds LS2 8BL
<b>BANKERS</b>	The Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RS

South Ossett Infants' Academy Trust

Report of the Trustees  
For The Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 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 trust operates an academy for infant school pupils up to the age of seven in the Ossett area. There were 127 children on the school roll during the year:

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

Objectives, Strategies and Activities:

The Vision

To engage children in the challenges of life with a positive attitude of confidence, self respect and respect for others and to forge ahead regardless of difficulties experienced.

Values

Happiness

Learning

Integrity

Nurturing

Courage

Safety

Excellence

Respect

Independence

**Public benefit**

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The main public benefit which the Trust offers is the provision of a high quality free learning experience for all the children. This has been evidenced by our year on year results and by external verification from OFSTED and the School Improvement Partner.

Ofsted (July 2010) and SIP Report the following:

"The school have been proactive in reviewing the SEF document. The new draft SEF has been refined to reflect the new OFSTED framework and aligned to the four key sections"

"The school has continued to move forwards since the last inspection and has strengthened the procedures for supporting pupils and their families on entry to EYFS"

"Pupils from vulnerable groups achieve above the national average in all core subjects alongside their peers. Challenging targets are set for all pupils and their progress towards them is carefully checked. All staff are involved in the setting and tracking of pupil targets"

**STRATEGIC REPORT**

**Achievement and performance**

*Achievement and performance*

The Trust has continued to build on its attainment and progress. The projection for this year shows that we are currently achieving at or above national expectations in foundation Stage and Key Stage One results.

**South Ossétt Infants' Academy Trust**

**Report of the Trustees  
For The Year Ended 31 August 2018**

**STRATEGIC REPORT**  
**Achievement and performance**

**Results Summary**  
**2015 to 2016**

		<b>National</b>	<b>School</b>		<b>National</b>	<b>School</b>
		<b>2015</b>	<b>2015</b>		<b>2016</b>	<b>2016</b>
<b>EYFS</b>	<b>% Good Level of Development</b>	66%	84%		69%	83%

Phonics - % WA		Year 1	77%	89%			81%	94%
KS1	APS	Reading	16.6	19.6	% Expected Standard and Above	Reading	74%	86%
		Writing	15.3	19.4		Writing	65%	83%
		Maths	16.4	19.5		Maths	73%	86%
						Science	82%	100%
		R, W & M	16.1	19.5		R, W & M	N/A	79%
	% Level 2B+	Reading	82%	100%	% Working at a Greater Depth	Reading	24%	28%
		Writing	72%	100%		Writing	13%	10%
		Maths	82%	100%		Maths	18%	28%
	% Level 3+	Reading	32%	71%			R, W & M	N/A
		Writing	18%	68%				
		Maths	26%	65%				

	<b>National</b>		<b>School</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
Attendance	96.0	96.1	96.6	97.4
Persistent Absence	2.7	8.8	0.0	3.3

**2017**

		<b>National</b>	<b>School</b>	<b>National</b>	<b>School</b>
		<b>2017</b>	<b>2017</b>	<b>2018</b>	<b>2018</b>
<b>EYFS</b>	<b>% Good Level of Development</b>	71%	81%	72%	87%

<b>Phonics - % WA</b>		<b>Year 1</b>	81%	93%	83%	83%
<b>KS1</b>	<b>% Expected Standard and Above</b>	Reading	76%	81%	76%	83%
		Writing	68%	84%	70%	80%
		Maths	75%	81%	76%	80%
		Science	83%	97%	N/A	100%
		R, W & M	64%	77%	65%	77%
	<b>% Working at a Greater Depth</b>	Reading	25%	23%	26%	27%
		Writing	16%	16%	16%	13%
		Maths	21%	13%	22%	30%
		R, W & M	11%	10%	N/A	7%

	<b>National</b>	<b>School</b>	<b>National</b>	<b>School</b>
	<b>2017</b>	<b>2017</b>	<b>2018</b>	<b>2018</b>
Attendance	N/A	97.6	N/A	96.93
Persistent Absence	N/A	1.6	N/A	4.4

<b>Latest Ofsted Inspection:</b>			<b>July 2010</b>
<b>Overall Judgement:</b>			<b>1</b>

## South Ossett Infants' Academy Trust

### Report of the Trustees For The Year Ended 31 August 2018

#### **STRATEGIC REPORT**

##### **Achievement and performance**

###### *Key financial performance indicators*

The main financial performance indicator in reporting to the Board of Trustees has been monthly revenue against monthly expenditure for key budget headings / items (for example salaries, building costs, maintenance).

##### **Financial review**

###### *Investment policy*

The Trustees have resolved to invest any funds available in a short term, low risk, bank deposit account.

###### *Financial review*

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the ESFA for the year ended 31st August 2018 and the associated expenditure are shown in the statement of financial activities

During the year end 31st August 2018 total expenditure (excluding depreciation and FRS102 adjustments, including assets purchased out of revenue funds) of £604,000 was covered by recurrent grant funding plus other incoming resources and reserves brought forward. The excess of expenditure over income for the year was £12,000 excluding actuarial losses on the Local Government Pension Scheme.

At 31 August 2018 the net book value of fixed assets was £1,011,000. The value of these fixed assets includes those which were donated by Wakefield Metropolitan District Council and Education Ossett Community Trust as part of the transfer agreement.

During the year expenditure has been incurred on or committed to the purchase of replacement furniture, indoor porch, double doors, additional maintenance and upkeep of the premises. The assets were used exclusively for improving the educational provision and the associated support services to the pupils of the academy.

The deficit in the Local Government Pension Scheme is recognised on the balance sheet in accordance with the provisions of FRS 102. At 31 August 2018, the deficit was £161,000.

###### *Reserves Policy*

The Trustees review the level of reserves held by the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. At the end of the year the trust held £89,000 of unrestricted reserves and £164,000 of general restricted reserves. The reserves are held to ensure the academy has sufficient resources to continue to advance the education of pupils, including incurring the necessary capital expenditure.

###### *Going concern*

After making appropriate enquiries the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies on page 21.

##### **Principal risks and uncertainties**

The trustees have assessed the major risks and uncertainties to which the Trust is exposed, including those relating specifically to teaching, provision of facilities and other operational areas of the trust and its finances.

The principal risks and uncertainties facing the academy are as follows:

- Financial - the Academy has considerable reliance on continued Government funding through the ESFA. Governors and Senior Leadership Team are aware that this funding is decreasing, both in real terms and as a percentage increase against rising costs.
- Failures in governance and /or in management to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns.
- Fraud and mismanagement of funds - the Academy has appointed a Responsible Officer to carry out checks on financial systems and records
- Safeguarding and Child protection - the Trustees continue to ensure the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

##### **Financial and risk management objectives and policies**

The Trustees examine the financial health every term, reviewing performance against budget and overall expenditure. At the period end, the Academy has no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

## South Ossett Infants' Academy Trust

### Report of the Trustees For The Year Ended 31 August 2018

#### **STRATEGIC REPORT**

##### **Financial and risk management objectives and policies**

The Board of Trustees recognises that the defined benefit scheme (Local Government Pension Scheme) represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from the liability is minimised.

We continue to have a strong willingness to engage with outside partners and with new and innovative practices which will help us secure high levels of attainment and progress for all.

##### **Fundraising**

We have an organisation called Friends of South Ossett Infants' Academy, known as 'Friends'. Parents and friends are invited to join and 'Friends' raises funds for the school, through organising activities such as raffles, cake stalls, creating and making Christmas cards etc. The money raised is banked as 'School Fund' and this is used to add to our curriculum offering (for example arranging an artist to come and make clay tiles with the children) or for extras - such as our Christmas pantomime.

The trust do not, normally, work with professional fundraisers or companies who carry out fundraising on its behalf.

Complaints are handled and monitored through the Trusts' complaints procedure. During the year no complaints or issues have arisen as a result of the fundraising events.

##### **Plans for future periods**

We aim to be able to support other schools whilst maintaining our own high standards. We aim to provide the highest educational opportunities for all our children as well as providing professional development for all teaching and support staff so that the academy is self developing and self supporting in the future.

The Governing Body meet annually with the Headteacher and School Business Manager to look at strategy for moving the academy forward, looking at educational opportunities and possible financial efficiencies with a one year, three year and five year strategic outlook.

SDP Priorities for this year are as follows:

##### Develop Leadership and Management

Strengthen the leadership roles to ensure these remain outstanding

- New Governors are well inducted and all governors understand their roles and responsibilities.
- HT/SLT to strengthen recording of monitoring processes

##### Improve Teaching and Learning

Monitor all teaching and learning to ensure all teaching is good, with outstanding elements or outstanding

- SLT work with staff teams to ensure changes to staffing and structures positively impact on outcomes for children (including shared PPA for Staff teams where possible)
- Evaluate teaching of reading/writing/maths in Key Stage One for low to middle attaining children, writing for higher, phonics for low to middle attaining children in FS and look to any actions/changes that, whilst retaining our broad and balanced ethos, increase attainment in these.
- Review non-core curriculum; balance of skills/knowledge and time for PHSCE/Circle Time/P4C

##### Raising Attainment

Maintain and improve attainment in Foundation Stage and Key Stage One

- Focus of progress of lowest and highest attaining pupils to improve outcomes for all

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

South Ossett Infants' Academy Trust was incorporated on 17 November 2011 and opened as an academy on 1 December 2011. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and the Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of South Ossett Infants' Academy Trust are also directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as South Ossett Infants' Academy Trust.

Details of the Trustees who have served throughout the year, except as noted, are included in the reference and administrative details on page 1.

##### **Members' liability**

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

**South Ossett Infants' Academy Trust**

**Report of the Trustees**  
**For The Year Ended 31 August 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be in breach of trust or a breach of duty or which was committed by Trustees in reckless disregard to whether it was a breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

**Principal activities**

The Academy Trust's objective is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an infant's school offering a broad and balanced curriculum.

**Method of Recruitment and Appointment or Election of Trustees**

All Trustees are elected democratically. Each year the Chair and Vice Chair positions are voted on at the first Board of Trustees meeting of the year. Committee changes are also carried out during meetings where any changes are discussed and reasons for any change are addressed.

Parent representative appointments are carried out formally when they arise. As a small infant school the election of parent Trustees is often frequent. If they are suitable for another vacancy when their term of office ends, due to their child leaving, they may be co-opted. Parent vacancies are always advertised to all parents, be their child in full or part time schooling. Any parents who wish to be nominated for election put forward to other parents their reasons for wanting to be a Trustee. These are then shared with the other parents and an election is held.

At each Board of Trustees' meeting, during the constitution agenda item, Local Authority Professionals (LAPS) are discussed. During the year ending 31st August 2018 we had 1 person on the GB who was identified as LAP. When a parent election is held there is a LAAP (Local Authority Appointed Person) restriction placed on the applications.

One of the Board of Trustees Members has responsibility as the Training Link Trustee. All Trustees attend New Trustee Training and a training record for all Trustees is kept by the Local Authority. We have maintained a Service Level Agreement with the local Authority to ensure training is available to all Trustees. We have an excellent record of Trustees attending the Local Annual Trustees Conference.

**Organisational structure**

The management structure consists of three levels,

- 1 The Umbrella Trust (Ossett Community Trust)
- 2 The Board of Directors (Trustees)
- 3 The Senior Leadership team

The aim of the management structure is to develop responsibility and encourage involvement in decision making at all levels. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The senior leaders are the Headteacher to the Academy, teachers who hold Teaching and Learning responsibility posts (both which show incremental difference) and the School Business Manager. The senior leaders control the academy and implement policy and report to the directors. As a group they are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts within the Leadership Team always contain a Trustee.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

All Trustees receive a briefing from the Headteacher and Chair of Trustees and are eligible to attend training provided by WMDC, into which the Academy contracts.

Where specific training is required or strongly recommended, as for recruitment of staff or for safeguarding purposes, the Board of Trustees agrees which members should receive training as appropriate to their role and arranges for attendance at the next available course.

South Ossett Infants' Academy Trust

Report of the Trustees  
For The Year Ended 31 August 2018

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Arrangements for setting pay and remuneration of key management personnel**

The pay and remuneration of the Headteacher, School Business Manager, Foundation Stage Leader and Key Stage 1 Leader (when filled) are determined in accordance with our Pay Policy 2017/2018. Clear criteria for receiving a TLR or increment are identified. The performance of the School Business Manager, Foundation Stage Leader, and Key Stage 1 Leader is managed by the Headteacher and thus used to determine if an increment is to be recommended for Finance and Resources Committee approval. The Headteacher's performance management is conducted by Governors, supported by an external advisor.

**Related Parties and other Connected Charities and Organisations**

There are no connected organisations or related parties. The academy participates informally where appropriate in local networks operating within the Local Education Authority area. A Memorandum of Understanding has been agreed with other schools in the Umbrella Trust. We are also an associate member of Education Ossett Community Trust and as such work collaboratively and have a common admissions policy. Other policies, ie Equality Policy and Safeguarding Policy, are agreed as common policies that run alongside our academy's own policies.

**Risk management**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to specific teaching, provision of the facilities and other operational areas of the trust and its finances. The key risks have been identified as:-

- Health and safety issues - a child, employee or volunteer is injured at work.
- Recruitment risk - recruiting someone unsuitable to work with children.
- Legal risks - risks that legislative requirements such as the Child Protection Act are not complied with.
- Financial risks - uncertainty regarding future government funding streams.

The Trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas, including Health and Safety on academy visits, and in relation to academy finance. There are systems in place to minimise risks including operational procedures i.e. vetting new staff and internal financial controls. Where significant risk still remains the Trustees have ensured they have adequate insurance cover. The Trust has effective systems of internal control as follows:-

- 1 The Board of Trustees is responsible for ensuring that the academy:
  - keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the academy, have been drawn up in accordance with the DfE guidelines, and will enable it to prepare an annual income and expenditure statement that complies with DfE guidelines
  - maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the academy and ensure they are used cost effectively
- 2 The system of internal control has been developed and is co-ordinated by the Headteacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.
- 3 Our review of the effectiveness of the systems of internal control is informed by:
  - our regular scrutiny of financial and other performance monitoring data
  - regular reports from the Headteacher and other managers to the Trustees
  - our most recent self-evaluation of the internal controls undertaken.

The Memorandum of understanding within the Umbrella Trust

Memorandum of Understanding  
Consortium of Community Trusts  
Ossett Academy, South Ossett Infant Academy

The academies/schools incorporated have developed systems of quality assurance across a range of performance indicators.

**South Ossett Infants' Academy Trust**

**Report of the Trustees**  
**For The Year Ended 31 August 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

Annually, (usually early autumn term) the academy will conduct a summative evaluation of performance indicators including performance data, learning and teaching, behaviour (including attendance and exclusions) and leadership and management of South Ossett Infants' Academy data. This will be conducted by the head and at least one member. If the performance of the academy in any of these areas is of concern and represents a downward trend (based on more than one years' data) an action plan will be written by the head with an agreement for mutual support and/or advice sought from other academies or schools from the same educational phase, if identified as required. Action plans will be agreed by members and shared with the individual governing body. Action plans will identify lead personnel, will be timed and have agreed targets and procedures for monitoring and evaluating impact.

The umbrella is a member of the individual academy trusts and therefore can exercise their powers as a member. If the individual Board of Trustees does not support or respond to any action plans for improvement they will be subject to a member's decision to exercise their powers of appointment to replace the Trustees.

**FUNDS HELD AS CUSTODIAN FOR OTHERS**

South Ossett Infants' Academy Trust and its Trustees do not act as third party custodial trustees.

**AUDITORS**

In so far as the Trustees are aware:

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

Allotts Business Services Ltd, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the charitable company receives notice under section 488(1) of the Companies Act 2006.

Report of the trustees, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on its behalf by:

  
R Walker - Trustee

**South Ossett Infants' Academy Trust**

**Governance Statement**  
**For The Year Ended 31 August 2018**

**Scope of Responsibility**

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

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

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

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

**Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Rachael Walker (Chair)	7	7
Tina Shute (Accounting Officer)	6	7
Janet Frazer	6	7
Helen E Field-Andrews	7	7
Ann Moorhouse (nee Campbell)	7	7
Angela Ryan	7	7
Tony Sargeant (Responsible Officer)	6	7
Colin Rispin	1	1
Janet Jones	7	7
Kate Stuart	6	7

During the year we had one resignation and a further two resignations at the end of the year with no new appointments to the board of trustees. As at 31 August 2018 we have four vacancies.

The board of trustees has continued to support the Headteacher throughout her fifth year of headship.

During the year Governance was reviewed in a number of ways.

Trustee evaluation questionnaires were reviewed from stakeholders. The action points and the topics and subjects set from the previous annual strategy meeting were reviewed to monitor development and to assess the impact. An annual self-review has been carried out at Full Governing Body level which did not highlight any issues for concern, but this will be continually reviewed.

We had no new Trustees in this year and all Trustees attend regular training to be abreast of up-to-date information. The training link Trustee indicates pertinent training. The declarations of interest were also reviewed.

Twice per year staff presentations are made at Full Governing Body meetings, this year relating to Phonics and End of Key Stage 1 Expectations, which ensures a greater depth of understanding regarding information that comes from school so that Trustees can better assess and challenge the information where necessary.

There has been no external review this year.

The next self-evaluation will take place in Term 2 of the year 2018/2019, linked into the annual strategy meeting.

The Resources (Finance) Committee is a sub-committee of the main board of trustees. Its purpose is to ensure that the academy's resources and finances are managed efficiently and effectively and in line with guidance in the Academies Financial Handbook.

## South Ossett Infants' Academy Trust

### Governance Statement For The Year Ended 31 August 2018

The Resources (Finance) Committee meets on a regular basis at least once every half term. Seven meetings were scheduled. The School Business Manager joins the committee to support the financial decisions of the committee. Attendance at meetings in the year was as follows:-

Trustee	Meetings attended	Out of a possible
R Walker	6	7
J Jones	6	7
T Shute	7	7
C Rispin	2	2
Y Smith	7	7

#### **Review of Value for Money**

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

The accounting officer considers how the 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 applicable. The business manager, in liaison with the accounting officer, for the academy trust has delivered improved value for money during the year by:

- an ongoing review that staffing hours reflected the needs of the school and the capacity of the budget to provide this
- bringing the grounds maintenance in-house - there has been an initial outlay on a lawnmower and relevant gardening tools - but overall this will be an on-going saving.
- bringing some repairs/maintenance in-house - there has been an initial outlay on relevant tools - but overall this will be an on-going saving.
- changing the staff absence insurance provider - giving a much more comprehensive cover at a significantly lower cost.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Ossett Infants' Academy to the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

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

The RO role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the responsible officer reports to the board of trustees, through the resources (finance) committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In particular the checks carried out in the current period included:

- monitoring of cheques and all invoices and documentation relating to them

South Ossett Infants' Academy Trust

Governance Statement  
For The Year Ended 31 August 2018

**Board Performance**

The Board's performance has fulfilled all our statutory duties. The Board has challenged effectively via specific questioning at committees and full Governing Body meetings so that these are more focussed. Questions can be sent to the Headteacher prior to full Governing Body meetings in relation to the Headteacher's report and any other documents that Governors have received that are pertinent to the meeting.

Particular challenges have included an ongoing HR issue that has had a significant impact on school, and the need to restructure due to falling numbers in afternoon part-time provision, which have been effectively addressed.

The Trustees have tightened up and streamlined how monitoring visits are conducted and reviewed the structure for all aspects of reporting.

The Governing Body is effective in its support in relation to regular feedback to staff. The Chair supported the Governing Body and staff members where situations arose by regular contact and through school visits. The Chair and Committees support the Headteacher and wider school team through meetings and feedback.

The data received by the Board is very comprehensive and supported by excellent subject knowledge of staff concerned, who also produce further evidence which underpins the data presented, when challenged.

The Board recognises that while there has been an improvement in the level of questioning there is always room for improvement. However the understanding of information received has increased.

**Review of Effectiveness**


As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources (Finance) Committee and will ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:

  
R Walker - Trustee

  
T Shute - Accounting Officer

South Ossett Infants' Academy Trust

Statement on Regularity, Propriety and Compliance  
For The Year Ended 31 August 2018

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

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



T Shute - Accounting Officer

Date: 3 December 2018

South Ossett Infants' Academy Trust

Statement of Trustees Responsibilities  
For The Year Ended 31 August 2018

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

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

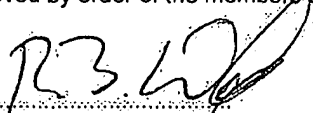
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:

  
R Walker - Trustee

**Report of the Independent Auditors to the Members of**  
**'South Ossett Infants' Academy Trust**

**Opinion**

We have audited the financial statements of South Ossett Infants' Academy Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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

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

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Report of the Independent Auditors to the Members of**  
**South Ossett Infants' Academy Trust**

**Responsibilities of trustees**

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

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

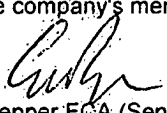
**Our responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Steven Pepper FCA (Senior Statutory Auditor)  
for and on behalf of Allotts Business Services Ltd, Statutory Auditor  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

Date: 3 December 2018

**Independent Reporting Accountant's Assurance Report on Regularity to  
South Ossett Infants' Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 8 August 2014 and further to the requirements of the Education and 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 South Ossett Infants' Academy Trust 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 South Ossett Infants' Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Ossett Infants' Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Ossett Infants' Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of South Ossett Infants' Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of South Ossett Infants' Academy Trust's funding agreement with the Secretary of State for Education dated 28 November 2011 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academies Financial Handbook

**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  
Allotts Business Services Ltd  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

Date: 3 December 2018

**South Ossett Infants' Academy Trust**

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For The Year Ended 31 August 2018**

		Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total 2018 funds £'000	Total 2017 funds £'000
	Notes					
<b>INCOME AND ENDOWMENTS</b>						
<b>FROM</b>						
Donations and capital grants	3	-	-	5	5	5
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	-	607	-	607	620
Other trading activities	5	4	15	-	19	18
Investment income	6	-	-	-	-	1
<b>Total</b>		<b>4</b>	<b>622</b>	<b>5</b>	<b>631</b>	<b>644</b>
 <b>EXPENDITURE ON</b>						
<b>Charitable activities</b>						
Academy's educational operations		<u>1</u>	<u>630</u>	<u>39</u>	<u>670</u>	<u>721</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>3</b>	<b>(8)</b>	<b>(34)</b>	<b>(39)</b>	<b>(77)</b>
 <b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes	21	-	<u>75</u>	-	<u>75</u>	<u>73</u>
<b>Net movement in funds</b>		<b>3</b>	<b>67</b>	<b>(34)</b>	<b>36</b>	<b>(4)</b>
 <b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>86</b>	<b>(64)</b>	<b>1,047</b>	<b>1,069</b>	<b>1,073</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		 <u><b>89</b></u>	 <u><b>3</b></u>	 <u><b>1,013</b></u>	 <u><b>1,105</b></u>	 <u><b>1,069</b></u>

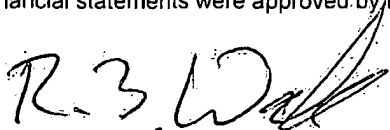
The notes form part of these financial statements

**South Ossett Infants' Academy Trust (Registered number: 07851205)**

**Balance Sheet**  
**At 31 August 2018**

	Notes	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Intangible assets	13	6	8
Tangible assets	14	<u>1,005</u>	<u>1,039</u>
		1,011	1,047
 <b>CURRENT ASSETS</b>			
Debtors	15	51	31
Cash at bank		<u>293</u>	<u>294</u>
		344	325
 <b>CREDITORS</b>			
Amounts falling due within one year	16	(89)	(94)
 <b>NET CURRENT ASSETS</b>		<u>255</u>	<u>231</u>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,266	1,278
 <b>PENSION LIABILITY</b>	21	(161)	(209)
 <b>NET ASSETS</b>		<u>1,105</u>	<u>1,069</u>
 <b>FUNDS</b>	20		
Unrestricted funds:			
General fund		89	86
Restricted funds:			
Fixed Asset Fund		1,013	1,047
General fund		164	145
Pension reserve		<u>(161)</u>	<u>(209)</u>
		1,016	983
 <b>TOTAL FUNDS</b>		<u>1,105</u>	<u>1,069</u>

The financial statements were approved by the Board of Trustees on 3 December 2018 and were signed on its behalf by:



R Walker - Trustee

The notes form part of these financial statements

**South Ossett Infants' Academy Trust**

**Cash Flow Statement**  
**For The Year Ended 31 August 2018**

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(3)</u>	<u>15</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(3)</u>	<u>15</u>
<b>Cash flows from investing activities:</b>			
Purchase of intangible fixed assets		-	(8)
Purchase of tangible fixed assets		(3)	(16)
Capital grants from DfE/ESFA		5	5
Interest received		<u>-</u>	<u>1</u>
<b>Net cash provided by (used in) investing activities</b>		<u>2</u>	<u>(18)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(1)</u>	<u>(3)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>294</u>	<u>297</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>293</u>	<u>294</u>

The notes form part of these financial statements

South Ossett Infants' Academy Trust

Notes to the Cash Flow Statement  
For The Year Ended 31 August 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(39)	(77)
Adjustments for:		
Depreciation	39	52
Capital grants from DfE/ESFA	(5)	(5)
Interest received	-	(1)
(Increase)/decrease in debtors	(20)	12
Decrease in creditors	(4)	(1)
Difference between pension charge and cash contributions	26	35
Net cash provided by (used in) operating activities	<u>(3)</u>	<u>15</u>

**South Ossett Infants Academy Trust**

**Notes to the Financial Statements**  
**For The Year Ended 31 August 2018**

**1. STATEMENT OF ACCOUNTING POLICIES**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

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

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

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

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

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

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

**Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

**Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's accounting policies.

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**2. ACCOUNTING POLICIES - continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**

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

**Intangible assets**

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	over 5 years
-----------------------------	--------------

**Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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

Freehold buildings	over 29 years, being the remainder of the life of the buildings
Leasehold land	over 125 years
Furniture and fixtures	over 5 years
Plant and equipment	over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**Financial instruments**

The academy trust only holds basic financial instruments as defined by FRS102. 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 as detailed in note 15. 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 as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**2. ACCOUNTING POLICIES - continued**

**Taxation**

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

**Fund accounting**

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

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

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

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the Pension and Similar Obligations note, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**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.

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**South Ossett Infants' Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**2. ACCOUNTING POLICIES - continued**

**Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions**

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

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

**3. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Grants	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>

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

	2018 £'000	2017 £'000
Capital grants	<u>5</u>	<u>5</u>

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Grants	<u>-</u>	<u>604</u>	<u>604</u>	<u>618</u>
Trips	<u>-</u>	<u>3</u>	<u>3</u>	<u>2</u>
	<u>-</u>	<u>607</u>	<u>607</u>	<u>620</u>

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	484	484	495
Other DfE/ESFA Grants	-	59	59	43
		543	543	538
<b>Other government grant</b>				
Local authority grants	-	61	61	80
	-	604	604	618

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Staff cover insurance	-	10	10	12
Other events and activities	1	-	1	-
Sundry income	3	5	8	6
	4	15	19	18

**6. INVESTMENT INCOME**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Interest	-	-	-	1

**7. EXPENDITURE**

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	2018 Total £'000	2017 Total £'000
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	366	22	40	428	443
Allocated support costs	106	31	105	242	278
	472	53	145	670	721

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**7. EXPENDITURE - continued**

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

	2018	2017
	£'000	£'000
Auditors' remuneration	6	6
Auditors' remuneration for non audit work	3	1
Depreciation - owned assets	37	52
Computer software amortisation	2	-
Operating leases - Others	<u>3</u>	<u>3</u>

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Direct costs	-	428	428	443
Support costs	<u>1</u>	<u>241</u>	<u>242</u>	<u>278</u>
	<u>1</u>	<u>669</u>	<u>670</u>	<u>721</u>

	2018 Total £'000	2017 Total £'000
<b>Analysis of support costs</b>		
Support staff costs	106	131
Technology costs	14	14
Premises costs	31	22
Other support costs	80	96
Governance costs	<u>11</u>	<u>15</u>
<b>Total support costs</b>	<u>242</u>	<u>278</u>

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**9. TRUSTEES' REMUNERATION AND BENEFITS**

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

**T Shute (Principal and trustee)**

Remuneration £50,000 - £55,000 (2017: £50,000 - £55,000)

Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

**A Ryan (staff trustee)**

Remuneration £10,000 - £15,000 (2017: £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

**J Frazer (staff trustee)**

Remuneration £35,000 - £40,000 (2017: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

**Trustees' expenses**

During the period ended 31 August 2018, travel and subsistence expenses totalling £6 were reimbursed or paid directly to 1 trustee (2017: nil).

**Other transactions**

Other related party transactions involving the trustees are set out in the Related Party Disclosures note.

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**10. STAFF COSTS**

	2018	2017
	£'000	£'000
Wages and salaries	354	362
Social security costs	24	25
Pension costs	<u>84</u>	<u>92</u>
	462	479
Supply teacher costs	10	16
Staff restructuring costs	<u>-</u>	<u>4</u>
	<u>472</u>	<u>499</u>
	2018	2017
	£'000	£'000
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	4
Other restructuring costs	<u>-</u>	<u>-</u>
	<u>-</u>	<u>4</u>

There were no non-statutory/non-contractual severance payments for the year ended 31 August 2018 (2017: £4,155).

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

	2018	2017
Teachers and educational support	5	6
Administration and support	17	15
Leadership and Management	<u>3</u>	<u>3</u>
	<u>25</u>	<u>24</u>

There were no employees who earned more than £60,000 during the period (2017: None).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £172,169 (2017: £174,206).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

**South Ossett Infants' Academy Trust**

**Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	-	5	5
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	620	-	620
Other trading activities	1	17	-	18
Investment income	-	1	-	1
<b>Total</b>	<b>1</b>	<b>638</b>	<b>5</b>	<b>644</b>
<b>EXPENDITURE ON Charitable activities</b>				
Academy's educational operations	1	668	52	721
<b>NET INCOME/(EXPENDITURE)</b>	<b>-</b>	<b>(30)</b>	<b>(47)</b>	<b>(77)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>(19)</b>	<b>19</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	73	-	73
<b>Net movement in funds</b>	<b>-</b>	<b>24</b>	<b>(28)</b>	<b>(4)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>86</b>	<b>(88)</b>	<b>1,075</b>	<b>1,073</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>86</b>	<b>(64)</b>	<b>1,047</b>	<b>1,069</b>

**13. INTANGIBLE FIXED ASSETS**

	Computer software £'000
<b>COST</b>	
At 1 September 2017	8
<b>AMORTISATION</b>	
Charge for year	2
<b>NET BOOK VALUE</b>	
At 31 August 2018	6
At 31 August 2017	8

**South Ossett Infants' Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**14. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £'000	Furniture and fixtures £'000	Plant and equipment £'000	Totals £'000
<b>COST</b>				
At 1 September 2017	1,121	126	54	1,301
Additions	-	3	-	3
At 31 August 2018	<u>1,121</u>	<u>129</u>	<u>54</u>	<u>1,304</u>
<b>DEPRECIATION</b>				
At 1 September 2017	120	94	48	262
Charge for year	21	11	5	37
At 31 August 2018	<u>141</u>	<u>105</u>	<u>53</u>	<u>299</u>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<u>980</u>	<u>24</u>	<u>1</u>	<u>1,005</u>
At 31 August 2017	<u>1,001</u>	<u>32</u>	<u>6</u>	<u>1,039</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £'000	2017 £'000
VAT recoverable	28	8
Prepayments and accrued income	<u>23</u>	<u>23</u>
	<u>51</u>	<u>31</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £'000	2017 £'000
Trade creditors	40	59
Taxation and social security	14	-
Accruals and deferred income	<u>35</u>	<u>35</u>
	<u>89</u>	<u>94</u>
<b>Deferred income</b>	2018 £'000	2017 £'000
Deferred Income at 1 September 2017	23	22
Resources deferred in the year	22	23
Amounts released from previous years	<u>(23)</u>	<u>(22)</u>
Deferred Income at 31 August 2018	<u>22</u>	<u>23</u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meals for 2018/19.

**17. LEASING AGREEMENTS**

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

	2018 £'000	2017 £'000
Within one year	3	3
Between one and five years	<u>2</u>	<u>5</u>
	<u>5</u>	<u>8</u>

**South Ossett Infants' Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**18. MEMBERS' LIABILITY**

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

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	6	6
Tangible fixed assets	-	-	1,005	1,005
Current assets	89	253	2	344
Current liabilities	-	(89)	-	(89)
Pension scheme liability	-	(161)	-	(161)
<b>Total net assets</b>	<b>89</b>	<b>3</b>	<b>1,013</b>	<b>1,105</b>

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

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	8	8
Tangible fixed assets	-	-	1,039	1,039
Current assets	86	239	-	325
Current liabilities	-	(94)	-	(94)
Pension scheme liability	-	(209)	-	(209)
<b>Total net assets</b>	<b>86</b>	<b>(64)</b>	<b>1,047</b>	<b>1,069</b>

**20. MOVEMENT IN FUNDS**

	Balance 01.09.17 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance 31.08.18 £000
<b>Restricted general funds</b>					
General annual grant (GAG)	141	484	(464)	-	161
School fund	4	3	(4)	-	3
Other ESFA	-	59	(59)	-	-
Other grants	-	61	(61)	-	-
Other revenue	-	15	(15)	-	-
Pension reserve	(209)	-	(27)	75	(161)
	<b>(64)</b>	<b>622</b>	<b>(630)</b>	<b>75</b>	<b>3</b>
<b>Restricted fixed asset funds</b>					
Assets inherited on conversion	1,001	-	(22)	-	979
DfE Group capital grants	8	5	(8)	-	5
Capital expenditure from GAG	38	-	(9)	-	29
	<b>1,047</b>	<b>5</b>	<b>(39)</b>	<b>-</b>	<b>1,013</b>
<b>Total restricted funds</b>	<b>983</b>	<b>627</b>	<b>(669)</b>	<b>75</b>	<b>1,016</b>
<b>Unrestricted funds</b>	<b>86</b>	<b>4</b>	<b>(1)</b>	<b>-</b>	<b>89</b>
<b>Total funds</b>	<b>1,069</b>	<b>631</b>	<b>(670)</b>	<b>75</b>	<b>1,105</b>

**South Ossett Infants' Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**20. MOVEMENT IN FUNDS - continued**

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

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from ESFA and other government grants, which have to be held for the continuing use of the academy, along with unspent grants for capital purposes.

The balance on restricted general funds represents the balance of unspent grants and other revenue to be spent in future periods, including unspent General Annual Grant.

The balance on unrestricted funds represents the unspent surplus from the local authority on conversion and unspent surpluses from other unrestricted activities.

Under the funding agreement with the Secretary of State, the academy 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 as follows:

	Balance 01.09.16 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance 31.08.17 £000
<b>Restricted general funds</b>					
General annual grant (GAG)	153	495	(488)	(19)	141
School fund	6	1	(3)	-	4
Other ESFA	-	43	(43)	-	-
Other grants	-	80	(80)	-	-
Other revenue	-	19	(19)	-	-
Pension reserve	(247)	-	(35)	73	(209)
	<u>(88)</u>	<u>638</u>	<u>(668)</u>	<u>54</u>	<u>(64)</u>
<b>Restricted fixed asset funds</b>					
Assets inherited on conversion	1,023	-	(22)	-	1,001
DfE Group capital grants	11	5	(8)	-	8
Capital expenditure from GAG	41	-	(22)	19	38
	<u>1,075</u>	<u>5</u>	<u>(52)</u>	<u>19</u>	<u>1,047</u>
<b>Total restricted funds</b>	<u>987</u>	<u>643</u>	<u>(720)</u>	<u>73</u>	<u>983</u>
<b>Unrestricted funds</b>	<u>86</u>	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>86</u>
<b>Total funds</b>	<u>1,073</u>	<u>644</u>	<u>(721)</u>	<u>73</u>	<u>1,069</u>

**21. 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 West Yorkshire Pension Authority. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £7,115 were payable to the schemes at 31 August 2018 (2017: £nil) and are included within creditors.

**Teachers' pension scheme**

*Introduction*

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

**South Ossett Infants' Academy Trust**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

*Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 employer's pension costs paid to TPS in the period amounted to £34,000 (2017: £33,000).

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 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £31,000 (2017: £33,000), of which employer's contributions totalled £23,000 (2017: £25,000) and employees' contributions totalled £8,000 (2017: £8,000). The agreed contribution rates for future years are 17.5 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

The academy has not made any additional contributions over normal funding levels for the years ending 31 August 2018 and 31 August 2017.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Present value of funded obligations	(912)	(899)
Fair value of plan assets	<u>751</u>	<u>690</u>
	<u>(161)</u>	<u>(209)</u>
Deficit	<u>(161)</u>	<u>(209)</u>
Liability	<u>(161)</u>	<u>(209)</u>

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**21. PENSION AND SIMILAR OBLIGATIONS**  
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Current service cost	46	55
Net interest from net defined benefit asset/liability	<u>4</u>	<u>5</u>
	<u>50</u>	<u>60</u>
 Actual return on plan assets	 <u>39</u>	 <u>221</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17, now replaced by FRS102, is a £19,000 loss (2017: £94,000 loss).

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

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
At 1 September	899	690
Current service cost	46	55
Employee contributions	8	8
Interest cost	22	14
Actuarial (gain) / loss	(54)	139
Benefits paid	<u>(9)</u>	<u>(7)</u>
	<u>912</u>	<u>899</u>

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

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
At 1 September	690	443
Employer contributions	23	25
Employee contributions	8	8
Expected return on assets	18	9
Actuarial gain / (loss)	21	212
Benefits paid	<u>(9)</u>	<u>(7)</u>
	<u>751</u>	<u>690</u>

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2018**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

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

	Defined benefit pension plans	
	2018	2017
Equities	74.6%	77.1%
Property	4.2%	4.5%
Government Bonds	10.8%	9.6%
Other Bonds	3.5%	3.9%
Cash	2.2%	1.5%
Other	4.7%	3.4%

A building block approach is used to determine the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each class of asset is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at the accounting date.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Rate of increase in salaries	3.35%	3.35%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.1%	2.1%
Commutation of pensions to lump sums	50%	50%
Inflation assumption (RPI)	3.2%	3.2%

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	23.1	23.0
Females	27.1	27.0

**Sensitivity Analysis**

	At 31 August 2018	At 31 August 2017
	£'000	£'000
Discount rate +0.1%	894	881
Discount rate -0.1%	931	918
Mortality assumption - 1 year increase	885	872
Mortality assumption - 1 year decrease	939	927

**22. CAPITAL COMMITMENTS**

	2018	2017
	£'000	£'000
Contracted for, but not provided in the financial statements	<u>3</u>	<u>7</u>

South Ossett Infants' Academy Trust

Notes to the Financial Statements - continued  
For The Year Ended 31 August 2018

**23. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

P Smales, spouse of Y Smith, business manager, is employed on a temporary basis by the academy trust as a caretaker. P Smales' appointment was made in open competition and Y Smith was not involved in the decision making process regarding appointment. P Smales is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the business manager.