

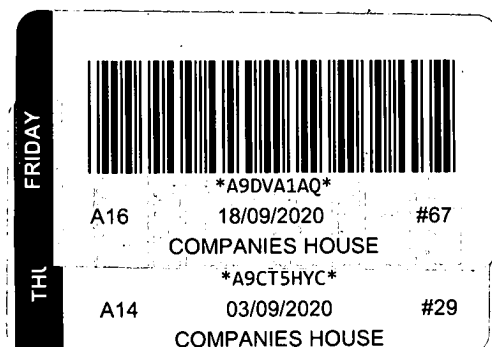
COMPANY REGISTRATION NUMBER: 08047328

(England and Wales)

**GILSLAND CHURCH OF ENGLAND  
PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**Period 1<sup>st</sup> September to 31<sup>st</sup> December 2019**



# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **FINANCIAL STATEMENTS PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019**

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## REFERENCE AND ADMINISTRATIVE DETAILS

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# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Independent Auditors</b>	Saint & Co Chartered Accountants & Statutory Auditors Sterling House Wavell Drive Rosehill Carlisle Cumbria CA1 2SA
<b>Bankers</b>	Cumberland Building Society 19 Front Street Brampton Cumbria CA8 1NG  HSBC 29-31 English Street Carlisle Cumbria CA3 8JW
<b>Solicitors</b>	Maria Wright Beaty & Co. 1 Victoria Place Wigton Cumbria CA7 9PJ

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **TRUSTEES' REPORT**

The trustees' present their annual report together with the financial statements and auditors' report of the charitable company for the period 1<sup>st</sup> September 2019 to 31 December 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area around Gilsland. It had a roll of 17 on the school census in October 2019.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees act as the governors for the charitable activities of Gilsland Church of England Primary School Academy Trust Limited and are also directors of the charitable company for the purpose of company law. The charitable company operates as Gilsland Church of England Primary School.

Details of the trustees' who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 3 to 4.

### **Members' Liability**

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

### **Trustees' Indemnities**

The trustees of the Academy are covered by indemnity insurance paid for by the trust. The insurance provides unlimited cover.

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

The Trustees' term of office is four years but they are eligible for re-election at the meeting at which they retire.

During the period under review the Trustees' held four full meetings.

The management of the Academy is the responsibility of the Trustees' who are elected and co-opted under the terms of the Articles of Association.

The core activities of Trustees' are:

- Monitor the quality of the school performance
- Monitor the school's finances
- Hold the school to account in order to provide best value

New Trustees' are appointed as follows:

- The Staff Governors are appointed by vote of the Trustees
- Parent Governors are appointed by vote of the Trustees
- The Executive Head Teacher is also a Trustee.

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

New Trustees are welcomed to their first full Governing Body meeting, they are introduced to all Trustees and given a copy of the school prospectus. All new Trustees are given an introductory tour of the school and meeting with the Head Teacher. New Trustees are given a welcome pack explaining their role and provided with details of various websites that are accessible. Existing Trustees attend training courses where appropriate.

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **TRUSTEES' REPORT**

### **Organisational Structures**

The management structure consists of two levels: The Trustees and the Senior Management Team. The aim of the management structure is to devolve 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 Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointment. The Senior Management Team is comprised of the Head Teacher. The Senior Management Team control the Academy at a day to day level, implementing the policies laid down by the Trustees and reporting back to them.

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

The trust has adopted the Local Authority recommended pay policy and appraisal policy. This follows the guidance set out in the Teachers' Pay and Conditions document. Salary progression is linked to staff meeting all appraisal objectives.

### **Trade Union Facility Time**

The Trust does not have any employee who is a trade union official.

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

The trust does not have any related parties or connections with other charities and organisations.

### **Risk Management**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. A risk register was put into place in the latter part of the year.

The Trustees have overall responsibility for ensuring that the Academy has an effective and appropriate system of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the Companies Act. The Trustees also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Academy is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or dispositions;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations.

## **Objectives and Activities**

### **Objects and Aims**

The principal objective and activity of the charitable company is the operation of Gilsland Church of England Primary School to provide education for pupils aged 4 to 11.

In accordance with the Funding Agreement made under section 1 of the Academies Act 2010, between the Secretary of State for Education and the Academy Trust, the Academy is governed by a board of trustees which exercises the powers and functions with a view to fulfilling a largely strategic role in the running of the school. The curriculum, in substance, complies with statutory requirements.

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **TRUSTEES' REPORT**

### **Objectives, Strategies and Activities**

The main objectives of the Academy is to maintain a non-fee paying primary school with a designated Church of England religious character, offering a broad and balanced curriculum for the public benefit conducted in accordance with principles, practices and tenets of the Church of England, both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to the advice of the Diocesan Board of Education, and in providing education for students of different abilities at the heart of the community in Gilsland and the surrounding areas. The Trustees confirm they have referred to the guidance obtained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aim and objectives.

Our aims are:

- To provide a broad, balanced, knowledge and skills baser curriculum conducted in accordance with the Church of England principles and practices which provides rich and appropriate experiences and opportunities to develop each child to encourage high achievement and promote excellence for all.
- To provide a safe, internal and external school environment in which children feel safe, learn to stay safe and can develop a healthy lifestyle.
- To develop and extend positive learning partnerships between school, home and community.
- To provide high quality teaching and support in all aspects of learning and to make learning fun, giving our children a love of learning and the confidence to succeed.
- To have high expectations for the achievement of our children, enabling them to have positive attitudes towards their work, develop enquiring minds and become life-long learners.
- To provide equality of opportunity for all members of the school community.
- To create a welcoming, caring, positive learning environment to enable both the children and the staff to feel valued and respected.

We have continued to progress and achieved many of our aims and objectives for the period, which were supported by all staff and parents.

Our objectives have continued to focus on all aspects of achievement and standards of attainment across the curriculum, progress, and the health and wellbeing of both pupils and staff. It also focuses on our premises, resources, and finances whilst ensuring value for money.

During the year we have achieved many of our aims:

- Improving provision in the Early Years, as reflected by our much improved outcomes
- Improving the teaching of phonics, which is the cornerstone of reading and writing
- Offering outdoor education and Forest School activities regularly to all or children
- Improving leadership, including governance, so that governors know how to hold the school to account
- Investing in the professional development of our staff, to ensure that we provide the best possible provision for our pupils

### **Equal opportunities policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Public Benefit**

In setting our objectives and planning our activities the trustees have complied with the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DfE). Children are admitted from a range of backgrounds. The school has a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, offering pupils a chance to demonstrate their abilities and potential.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## TRUSTEES' REPORT

### Achievements and Performance

Since the accounts period is from 1<sup>st</sup> September 2019 to December 2019 the performance data is carried forward from the previous accounts.

EYFS Good Level of Development: 100% (2018: 58%)

Phonics screening check pass: 100% (2018: 60%)

#### KS1 (3 pupils)

- o Reading 33% (2018: 100%)
- o Maths 33% (2018: 100%)
- o Writing 33% (2018: 100%)
- o Reading/  
Writing / Maths 33% (2018: 100%)

#### KS2 SAT's (4 pupils)

- o Reading 75% (2018: 33%)
- o SPAG 25% (2018: 67%)
- o Maths 50% (2018: 33%)
- o Writing 50% (2018: 100%)
- o Reading /  
Writing / Maths 25% (2018: 33%)

Please note that there were only 4 children in the KS2 cohort, and that progress in reading for KS2 was above average, while progress in writing and maths was average.

### Going Concern

The board of trustees have made the decisions that the academy trust will be re-brokered to an existing local multi-academy trust from 1<sup>st</sup> January 2020. The company will be struck off once the accounts have been approved. All of the assets and liabilities of the academy will be transferred at the value stated in the accounts. The accounts are therefore prepared on a basis other than going concern, namely the break up basis.

### Financial Review

#### Financial Review for the year

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 during the period 1<sup>st</sup> September to 31<sup>st</sup> December 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period 1<sup>st</sup> September to 31<sup>st</sup> December 2019, the excess of income over expenditure on the restricted funds for the period was a £6,158 (excluding the pension deficit transferred and the pension fund movement).

During the period 1<sup>st</sup> September to 31<sup>st</sup> December 2019, the excess of income over expenditure on the unrestricted fund for the period was £2,204.



# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## TRUSTEES' REPORT

At 31<sup>st</sup> December 2019 the net book value of fixed assets was £30,179 as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

### **Financial and Risk Management Objectives and Policies**

As an academy funded directly by the Department for Education, funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in Government policy and funding levels and fluctuations in pupil numbers, especially if the roll falls.

The academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The academy's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme, and consequently the academy balance sheet shows a net liability of £83,000. The employer contributions were reassessed in 2016 and has identified a £4,500 deficit recovery over 3 years, in the period of the accounts £500 has been repaid leaving a balance of £375 to repay by the 31<sup>st</sup> March 2020.

### **Commentary on Principal Risks, Uncertainties and Action Taken**

The risks to the school are largely as stated in last year's accounts, namely fierce recruitment from other local schools and small pupil numbers leading to lower funding. We are pleased that this reduction in numbers has now stopped and shows signs of reversing.

Our main strategic aim to mitigate this, and to secure sustained improvement to education standards, was to join The Good Shepherd Multi Academy Trust (here after known as the TGSMAT).

During the time for which these accounts are relevant the Trustees continued to abide by the terms of the ESFA issued FNtl whilst also preparing the Academy for conversion into TGSMAT. This was made smoother by the appointment of TGSMAT's business manager as Finance Officer for the school. TGSMAT leadership worked closely with Trustees and staff to further steady the finances and prepare for the transition.

Trustee's have also undertaken an independent review of the Governance with the NGA and have attended Governor training provided by TGSMAT.

The greatest effect of this has been the ever-increasing support and confidence of parents during this time. The attached but independent nursery ceased operations on the 31<sup>st</sup> December. To prevent a gap in pre-school provision in the area we secured an increase in our age range and from 1<sup>st</sup> January 2020 we admitted three-year olds to our infant class. This has been successful with a 100% uptake of this service by those that were eligible to do so, further securing current funding and future pupil numbers.

On the 31<sup>st</sup> December 2019 Gilsland CE Primary School Academy Trust ceased trading. Our entry into The Good Shepherd Multi Academy Trust took place formally on the 1<sup>st</sup> January 2020. This is a momentous occasion in the history of the school. It has secured excellent standards of education, management, leadership and financial oversight in perpetuity, regardless of any changes in personnel that may occur, effectively "future-proofing" the school. We received confirmation in January that the Financial Notice to Improve placed upon the Trust by the ESFA is now cancelled, with all formal financial management transferring to TGSMAT's central office.

TGSMAT still expects a significant level of financial management and awareness of its Local Governing Boards, and this board will continue the good work of this year with the added benefit of the MAT's support, experience gained and the reduced workload.

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **TRUSTEES' REPORT**

### **Reserves Policy**

The academy's 'free reserves' are its funds after excluding restricted funds. "Free reserves" are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent funds that are not yet spent, committed or designated.

The academy's current level of 'free reserves' is £8,466.

Demands on the academy's restricted general reserves will vary over the coming years. The trustees do not have a formal reserves policy. Any reserves, which have been accumulated in line with best practice, are to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's current level of restricted general reserves is £10,149.

### **Investment Policy**

The trustees operate two bank accounts. Our main current account is held with the Cumberland Building Society. The Cumberland is a small, local building society that supports the local community which we feel reflects our commitment to local businesses and organisations.

The investment policy will be reviewed annually.

### **Fundraising**

In this short period covered by these accounts there has been a limited amount of fundraising.

The Samson Inn continues to accept donations from patrons by way of a voluntary addition onto bills, and the School continues to be a part of the Co-op Community Fund which will eventually pay out in October 2020.

### **Plans for Future Periods**

Other than joining TGSMAT, many of our plans remain the same as last year due to the timing of these accounts.

Gilsland Church of England Primary School as part of The Good Shepherd Multi Academy Trust will continue to provide a safe and caring environment in which to nurture and develop our pupils, ensuring progress and achievement in their education and wellbeing. We will continue to support the development of our staff to ensure we deliver the best possible learning experience which enables all pupils to achieve and flourish, maximising their independence whilst recognising their place and value within both the local community and wider society.

As mentioned earlier we have been successful in our bid for funding from the Co-operative Local Community Fund to enhance our outdoor learning provision. When available this can now be done with the extra support of early years specialists in TGSMAT.

We are undertaking a comprehensive exercise alongside TGSMAT's ICT consultants and computing leaders to explore fully the expectations and requirements of this part of the curriculum with the intention of fully updating our equipment. This will include monitoring visits by the Finance Committee of the Local Governing Body.

We still have the ambition of forming a new charity, with a working name of "Friends of Gilsland School" to raise funds for the school and encourage community involvement. A separate registered charity has more freedoms about how it can fund events and conduct business and maintains the existence of a direct local link as the school itself becomes a part of the larger MAT.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## TRUSTEES' REPORT

Links with local businesses continue to strengthen, with a local hotel providing free use of facilities for school shows, and a local pub collecting donations from diners. We intend to strengthen these relationships and look to add to them following discussions with other local companies based at Spadeadam and Haltwhistle.

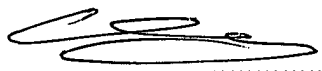
We would like to exploit our location by Hadrian's Wall and have been in discussion with representatives of UNESCO to see how we can work together to provide some special experiences for the children and raise the profile of the school.

### **Statement as to Disclosure of Information to Auditors**

Insofar as the trustees are aware:

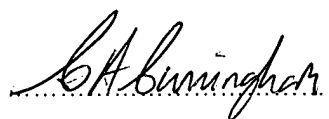
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 28 April 2020 and signed on their behalf by:



C Kearns

Chair of Trustee



C Cunningham

Accounting Officer

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## GOVERNANCE STATEMENT

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to Mrs C Cunningham, 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 Gilsland Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the period 1<sup>st</sup> September to 31<sup>st</sup> December 2019. Attendance during this period at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
C Cunningham – Accounting Officer**	3	4
H Salkeld – Acting Head of School	4	4
C Kearns – Chairman **	4	4
H Richardson – Vice Chairman**	4	4
L McNulty**	3	4
C Scott**	3	4
J Broadbent	2	2
C Kennedy	2	2
L Reed – (Resigned 3.10.19)**	0	1

\*\*Members of Finance Committee

The **Finance, Staffing & Premises Committee** is a sub-committee of the main board of trustees. Its purpose is to:

- Oversee the implementation of the school's policy for financial delegation;
- Agree objectives for the Head Teachers Performance Review with the Head teacher and external Advisor;
- Monitor the Head teachers progress towards these objectives;
- Determine the Head teachers' remuneration;
- Determine the pay of all teaching and non-teaching staff annually and inform them of their decision;
- Prepare and recommend the budget plan to the governing body' including the delegation of budget responsibilities;
- Ensure all financial returns are produced and reviewed;
- Award contracts by tender up to a specific limit (as set out in the financial delegation policy).
- Form an Audit Committee to periodically ensure financial policies and procedures are adhered to

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## GOVERNANCE STATEMENT

The attendance below is for the full Finance, Staffing & Premises committee meetings only.

Trustee	Meetings Attended	Out of a possible
C Cunningham – Accounting Officer**	2	2
C Kearns	2	2
H Richardson	2	2
L McNulty**	2	2
C Scott**	2	2
L Reed – (Resigned 3.10.19)**	0	1

**\*\*Members of Finance Committee**

The Finance Working Group of the Finance Staffing & Premises committee met twice between 1st September and 31st December 2019.

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

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

- Always undertaking the principles of best value when purchasing goods and services.
- Continually reviewing contracts and services, including subscriptions, ensuring that only essential services or services which contribute to the school's improvement planning are used, and that best value principles are followed.
- Reviewing staffing and restructuring as necessary according to the needs of the school, using statutory guidelines to inform decisions
- Investing in staff and governor development in response to the school's own self-evaluation, external inspection (OFSTED & SIAMS) and the needs of pupils
- Ensuring resources in school are used appropriately and investing only in appropriate and useful resources in response to the need of pupils and the school's improvement plan

The school Finance Committee will hold regular finance meetings to monitor the budget and discuss problem areas and strategies on how to deal with any particular situation that may arise. The full Governing Body will be kept informed through financial reports tabled at Governors meetings.

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

The system of internal control is designed to manage risk to a reasonable level rather than 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 Gilsland Church of England Primary School for the period 1<sup>st</sup> September to 31<sup>st</sup> December 2019 and up to the date of approval of the annual report and financial statements.

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT**

### **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 the risks for the Academy are low and the monitoring of such risks through identifying, evaluating and managing them have been in place during the period 1<sup>st</sup> September to 31<sup>st</sup> December 2019 and up to the date of the 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 control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed by the finance committee..
- Clearly defined purchasing guidelines as set out in the Financial Delegation Policy;
- Delegation of authority and segregation of duties as set out in the Financial Delegation Policy;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However they have appointed Accountancy Services 4 Schools to carry out additional checks. The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems, these checks include the review of purchases, sales and payroll controls

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## GOVERNANCE STATEMENT

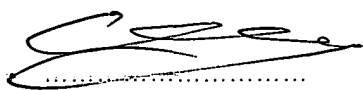
### Review of Effectiveness

As accounting officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the Good Shepherd Multi Academy Trust
- The External Auditors
- The financial management and governance self-assessment process.

The accounting officer has been advised of the implications of the results of their review of the system of internal control to ensure continuous improvements of the system is in place.

Approved by order of the members of the governing body on 28 April 2020 and signed on behalf by:



C Kearns

Chair of Trustees



C Cunningham

Accounting Officer

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Gilsland Church of England Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregularity or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Mrs C Cunningham

Accounting Officer

28 April 2020



# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Gilsland Church of England Primary School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

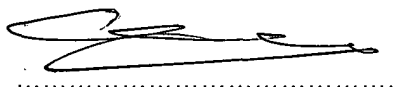
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 governing body on 28 April 2020 and signed on behalf by:



Mr C Kearns

Director and Chair of Governors

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

### **OPINION**

We have audited the financial statements of Gilsland Church of England Primary School ('the charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 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.
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the 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.

### **MODIFIED CONCLUSION RELATING TO GOING CONCERN**

In respect of the following matters in relation to which the ISAs (UK) require us to report, we have the following to report:

- the trustees' use of the breakup basis rather than the going concern basis of accounting in the preparation of the financial statements is considered reasonable due to the Academy joining The Good Shepherd Multi Academy Trust which the trustees have disclosed in the financial statements in note 23.

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL (continued)**

### **OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Governors' Responsibilities (set out on page 17), 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 governors 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.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL (continued)

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

**Stuart Farrer (Senior Statutory Auditor)**

For and on behalf of Saint & Co Chartered Accountants  
& Statutory Auditors

Sterling House  
Wavell Drive  
Carlisle  
Cumbria  
CA1 2SA

Date 28 April 2020

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gilsland Church of England Primary School during the period 01 September 2019 to 31 December 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

### **RESPECTIVE RESPONSIBILITIES OF GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Gilsland Church of England Primary School's funding agreement with the Secretary of State for Education dated 30 November 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. 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 01 September 2019 to 31 December 2019 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 2018 to 2019 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 academy trust's income and expenditure.

## **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY continued**

The work undertaken to draw our conclusion includes:

- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing borrowing agreements, including leases, to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee/governor's declaration of interests.

#### **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 01 September 2019 to 31 December 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **USE OF OUR REPORT**

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

**Mr Stuart Farrer (Reporting Accountant)**

For and on behalf of

Saint & Co

Chartered Accountants & Statutory Auditors

Sterling House, Wavell Drive, Rosehill, Carlisle, Cumbria, CA1 2SA

Date 28 April 2020

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD 1 SEPTEMBER TO 31 DECEMBER 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	1 September to 31 December 2019	31 August 2019
	Note	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and Capital Grants	3	439	-	-	439	9,238
Charitable Activities						
Funding for the academy trusts educational operations	4	-	102,551	-	102,551	299,882
Other trading activities	5	2,377	-	-	2,377	22,513
Investments	6	-	-	-	-	70
<b>Total</b>		<b>2,816</b>	<b>102,551</b>	<b>-</b>	<b>105,367</b>	<b>331,703</b>
<b>Expenditure on:</b>						
Raising Funds	7	612	3,000	-	3,612	15,818
Charitable Activities						
Academy trust educational operations	7,8	-	95,393	5,317	100,710	312,527
<b>Total</b>		<b>612</b>	<b>98,393</b>	<b>5,317</b>	<b>104,322</b>	<b>328,345</b>
<b>Net Income / (Expenditure)</b>		<b>2,204</b>	<b>4,158</b>	<b>(5,317)</b>	<b>1,045</b>	<b>3,358</b>
<b>Transfer between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME FOR THE PERIOD</b>						<b>3,358</b>
<b>Other recognised gains / (losses)</b>						
Actuarial loss on defined benefit pension scheme	21	-	51,000	-	51,000	(59,000)
<b>Net movement in funds</b>		<b>2,204</b>	<b>55,158</b>	<b>(5,317)</b>	<b>52,045</b>	<b>(55,642)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		6,262	(128,009)	41,927	(79,820)	(24,178)
<b>Total funds carried forward</b>		<b>8,466</b>	<b>(72,851)</b>	<b>36,610</b>	<b>(27,775)</b>	<b>(79,820)</b>

The notes on pages 26 to 48 form part of these financial statements

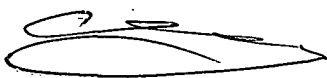
# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	31 December 2019 £	31 August 2019 £	31 August 2019 £
<b>Fixed Assets</b>					
Tangible Assets	12		30,179		35,497
<b>Current Assets</b>					
Debtors	13	10,590		19,337	
Cash at bank and in hand	19	49,345		24,174	
		<u>59,935</u>		<u>43,511</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(34,889)		(26,828)	
<b>Net current assets</b>			25,046		16,683
<b>Total assets less current liabilities</b>			<u>55,225</u>		<u>52,810</u>
Defined benefit pension scheme liability	21		(83,000)		(132,000)
<b>Net assets including pension liability</b>			<u>(27,775)</u>		<u>(79,820)</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	36,610		41,927	
Restricted income fund	15	10,149		3,991	
Pension reserve	15	(83,000)		(132,000)	
<b>Total restricted funds</b>			(36,241)		(86,082)
<b>Unrestricted income funds</b>			<u>8,466</u>		<u>6,262</u>
<b>Total Funds</b>			<u>(27,775)</u>		<u>(79,820)</u>

The financial statements were approved by the trustees and authorised for issue on 28 April 2020 and are signed on their behalf by

C Kearns  
Trustee



Company Registration Number: 08047328



# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

The notes on pages 26 to 48 form part of these financial statements

## CASH FLOW STATEMENT FOR THE PERIOD 1 SEPTEMBER TO 31 DECEMBER 2019

		<b>1 September to 31 December 2019</b>	<i>31 August 2019</i>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	17	25,171	(3,626)
<b>Cash flows from investing activities</b>		-	70
<b>Cash flows from financing activities</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>25,171</u>	<u>(3,556)</u>
<b>Net Funds as 31 August 2019</b>		24,174	27,730
<b>Net Funds as 31 December 2019</b>		<u>49,345</u>	<u>24,174</u>

The notes on pages 26 to 48 form part of these financial statements

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 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.

### General Information

The academy is a private company limited by guarantee, registered in England and Wales and an exempt charity in England and Wales. The address of the registered office is Gilsland CE Primary School, Gilsland, Brampton, Cumbria, CA8 7AA, United Kingdom.

### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA and the Charities Act 2011 and the Companies Act 2006.

Gilsland Church of England Primary School Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

### Going Concern

The board of trustees have made the decision that the academy trust will be re-brokered to an existing local multi-academy trust from 1<sup>st</sup> January 2020. The company will be struck off once the accounts have been approved. However the accounts have been prepared using the values calculated on a going concern basis as all of the assets and liabilities of the academy will be transferred at the value stated in the accounts.

### Income

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

- **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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 expected.

- **Donations**

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

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

- **Other Income**

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

### **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT

### **Tangible Fixed Assets**

Assets costing £250 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 for the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction at rates calculated so as to write off the cost of an asset, less its estimated residual values, over the useful economic life of that asset as follows:

Office and classroom equipment	Straight line 33% and 10% per annum
Leasehold property improvements	Straight line 20% per annum

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 assets 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.

### **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.

### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### **Leased Assets**

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

### **Financial Instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less and impairments.

### **Taxation**

The Academy Trust is considered to pass the test 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.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

### **Pensions Benefits**

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

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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions 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 comprise the interest cost on the defined benefit obligation and interest income on the schemes asset, calculated by multiplying the fair value of the scheme asset at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme asset and the actual return on scheme assets is recognised in other recognised gains and losses.

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

### **Fund Accounting**

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

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

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

### **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 the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31<sup>st</sup> March 2016 has been used by the actuary in valuing the pensions liability at 31<sup>st</sup> August 2019. 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.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 2. Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31<sup>st</sup> December 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises / capital purposes.

The academy trust has not exceeded these limits during the period ended 31<sup>st</sup> December 2019.

## 3. Donations and Capital Grants

			<b>Total 1 September to 31 December 2019 £</b>	<b>Total 31 August 2019 £</b>
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>		
Capital Grants	-	-	-	8,810
Other Donations	439	-	439	428
	<u>439</u>	<u>-</u>	<u>439</u>	<u>9,238</u>
<i>August 2019 Total</i>	<u>-</u>	<u>9,238</u>		<u>9,238</u>

## 4. Funding for the Academy Trust's Educational Operations

			<b>Total 1 September, to 31 December 2019 £</b>	<b>Total 31 August 2019 £</b>
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>		
<b>DFE / ESFA revenue grants</b>				
General Annual Grant (GAG)	-	82,769	82,769	236,166
Other DFE / ESFA Grants	-	15,384	15,384	59,914
	<u>-</u>	<u>98,153</u>	<u>98,153</u>	<u>296,080</u>
<i>August 2019 Total</i>	<u>-</u>	<u>296,808</u>		<u>296,080</u>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## Other DFE / EFA Grants

	<b>Total 1 September to 31 December 2019 £</b>	<i>Total 31 August 2019 £</i>
Pupil Premium	<b>1,320</b>	3,960
Sports Grant	<b>9,497</b>	16,230
ESFA Emergency Grant	-	4,650
ESFA Settlement Funding	-	23,069
Teachers Pay Grant	<b>1,567</b>	3,046
Universal Infant Free School Meals	<b>3,000</b>	8,959
	<b>15,384</b>	59,914

## Income from Charitable Activities

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 1 September to 31 December 2019 £</b>	<i>Total 31 August 2019 £</i>
	<b>Funds £</b>	<b>Funds £</b>		
Education Operations	-	<b>98,153</b>	<b>98,153</b>	296,080
Music, swimming and school trips	-	<b>762</b>	<b>762</b>	2,832
Uniform	-	<b>22</b>	<b>22</b>	333
Other Income	-	<b>3,614</b>	<b>3,614</b>	637
	-	<b>102,551</b>	<b>102,551</b>	299,882
<i>August 2019 Total</i>	-	<b>299,882</b>		<b>299,882</b>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 5. Income from Other Trading Activities

	Unrestricted	Restricted	Total 1 September to 31 December 2019	Total 31 August 2019
	Funds £	Funds £	£	£
Catering Income	1,278	-	1,278	4,693
Staff Insurance Claims	-	-	-	15,050
Out of School Club	549	-	549	815
Fundraising Income	500	-	500	1,955
	<u>2,377</u>	<u>-</u>	<u>2,377</u>	<u>22,513</u>
<i>August 2019 Total</i>	<u>22,513</u>	<u>-</u>		<u>22,513</u>

## 6. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 1 September to 31 December 2019 £	Total 31 August 2019 £
Bank Interest	-	-	-	70
	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
<i>August 2019 Total</i>	<u>70</u>	<u>-</u>		<u>70</u>



# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 7. Expenditure

	Non Pay Expenditure			Total 1 September to 31 December 2019 £	Total 31 August 2019 £
	Staff Costs £	Premises £	Other Costs £		
Expenditure on raising					
Voluntary Income	-	-	3,612	3,612	15,818
Educational operations					
Direct costs	36,410	-	16,226	52,636	217,275
Allocated support costs	13,886	10,202	23,986	48,074	95,252
	<u>50,296</u>	<u>10,202</u>	<u>43,824</u>	<u>104,322</u>	<u>328,345</u>
August 2019 Total	<u>202,623</u>	<u>17,046</u>	<u>108,676</u>		<u>328,345</u>

## Direct Costs

		Total 1 September to 31 December 2019 £	Total 31 August 2019 £
	Educational Operations £		
Interest cost on pension scheme	1,000	1,000	1,000
Educational Supplies	1,194	1,194	8,515
Staff Development	1,438	1,438	1,924
Other direct costs	12,594	12,594	29,045
Agency supply	20,236	20,236	16,645
Teaching and educational support staff costs	11,731	11,731	134,720
National insurance	1,385	1,385	7,222
Pension cost	3,058	3,058	18,204
	<u>52,636</u>	<u>52,636</u>	<u>217,275</u>
August 2019 Total	<u>217,275</u>		<u>217,275</u>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## Support Costs

	Educational Operations	Total 1 September to 31 December 2019	Total 31 August 2019
	£	£	£
Depreciation	5,317	5,317	15,480
Maintenance of premises and equipment	2,880	2,880	2,676
Cleaning	2,930	2,930	3,431
Rent & rates	319	319	360
Heat & light	3,521	3,521	7,030
Other Premises costs	197	197	2,809
Insurance	579	579	740
Security	355	355	-
Other support costs	3,182	3,182	18,784
Audit fees	4,691	4,691	7,410
Business Services	10,217	10,217	10,700
Support staff costs	11,173	11,173	19,265
National insurance	435	435	1,032
Pension costs	2,278	2,278	5,535
	<u>48,074</u>	<u>48,074</u>	<u>95,252</u>
August Total 2019	<u>95,252</u>		<u>95,252</u>

	1 September to 31 December 2019	31 August 2019
	£	£
Net income / (expenditure) for the period includes:		
Depreciation	5,317	15,480
Fees payable to auditor for:		
Current Auditor	4,691	7,410

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 8. Charitable Activities

	<b>Total 1 September to 31 December 2019 £</b>	<i>Total 31 August 2019 £</i>
<b>Direct Costs - educational operations</b>	<b>52,636</b>	<b>217,275</b>
<b>Support costs - educational operations</b>	<b>51,686</b>	<b>111,070</b>
	<b><u>104,322</u></b>	<b><u>328,345</u></b>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 9. Staff

	1 September to 31 December 2019 £	31 August 2019 £
Staff costs during the period were:		
Wages and salaries	21,433	153,985
Social security costs	2,250	8,254
Operating costs of defined benefit pension schemes	6,377	23,739
	<u>30,060</u>	<u>185,978</u>
Agency Supply Teachers	20,236	16,645
	<u>50,296</u>	<u>202,623</u>
Staff restructuring costs comprise:		
Severance payments	-	18,805
	<u>-</u>	<u>18,805</u>

### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £Nil for December, 2019 (August 2019: £18,805). Individually, the payments were £nil (August 2019: £18,805).

#### a) Staff Numbers

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

	1 September, to 31 December 2019 No.	31 August 2019 No.
Teachers	1	3
Administration and support	2	4
Management	0	1
	<u>3</u>	<u>8</u>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

### Higher Paid Staff

During the current or prior period no employee earned £60,000 p.a. or more (excluding employer pension costs).

### Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £17,359 for December, 2019 (August, 2019: £87,791).

In addition to the above, the Executive Head has invoiced the school an amount for consultancy fees during the period.

### 10. Trustees Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contract of employment. If this is not the case payments must be disclosed separately. The value of governor's remuneration and other benefits was as follows:

H Salkeld (Staff Governor – appointed 17.07.19)	
Remuneration for the four months 1 September to 31 December, 2019	£10,001 - £15,000
Employer's pension contributions for the four months 1 September to 31 December, 2019	£0 - £5,000

During the current and previous period, no governors received any reimbursement of expenses.

The legal authorities on which the governors can be paid, are as follows:

- receive a benefit from the Academy in the capacity of a beneficiary of the Academy;
- be employed by the Academy or enter into a contract for the supply of goods or services to the Academy, other than for acting as a governor;
- receive interest on money lent to the Academy at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Governors;
- receive rent for premises let by a Governor of the Academy if the amount of the rent and the other terms of the lease are reasonable and proper.

### 11. Trustees and Officers Insurance

The academy trust has opted into the DFE'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 Governors and officer's indemnity element from the overall cost of the RPA scheme membership.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 12. Tangible Fixed Assets

	Restated Land & Buildings £	Office Equipment £	Total £
<b>Cost</b>			
At 1 September 2019	125,389	45,337	170,726
Additions	-	-	-
Disposals	-	-	-
At 31 December 2019	<u>125,389</u>	<u>45,337</u>	<u>170,726</u>
<b>Depreciation</b>			
At 1 September 2019	113,102	22,128	135,230
Charged in year	4,096	1,221	5,317
Disposals	-	-	-
At 31 December 2019	<u>117,198</u>	<u>23,349</u>	<u>140,547</u>
<b>Net book values</b>			
At 31 December 2019	<u>8,191</u>	<u>21,988</u>	<u>30,179</u>
At 31 August 2019	<u>12,287</u>	<u>23,209</u>	<u>35,496</u>

## 13. Debtors

	31 December 2019 £	31 August 2019 £
Trade Debtors	2,585	4,648
VAT Recoverable	4,777	1,580
PAYE & NIC Debtor	827	6,746
Other debtors	-	854
Prepayments	2,401	5,509
	<u>10,590</u>	<u>19,337</u>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 14. Creditors: Amounts falling due within one year

	31 December 2019 £	31 August 2019 £
Trade creditors	11,751	10,718
Accruals and deferred income	23,138	16,110
	<u>34,889</u>	<u>26,828</u>

## Deferred Income

	31 December 2019 £	31 August 2019 £
Deferred income at 1 September 2019	6,216	5,706
Resources deferred in the year	7,471	6,216
Amounts released from previous years	(6,216)	(5,706)
Deferred income at 31 December 2019	<u>7,471</u>	<u>6,216</u>

At the balance sheet date the Academy Trust was holding £7,471 (2019: £6,216) for funds received in advance from the ESFA for the Universal Infant Free School Meals Grant, Pupil Premium, Teachers Pension Grant, Teachers Pay Grant and Rates reclaim for the period 1<sup>st</sup> January 2020 to 31<sup>st</sup> March 2020.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 15. Funds

### Analysis of Funds – current period 31 December, 2019

	Balance at 1 September 2019 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 December 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	82,506	(83,845)	2,191	852
Pupil Premium	-	1,320	(1,320)	-	-
Sports Premium	3,991	9,497	(2,000)	(2,191)	9,297
UFSM	-	3,000	(3,000)	-	-
Other ESFA Grants	-	1,830	(1,830)	-	-
Other Income	-	4,398	(4,398)	-	-
Pension reserve	(132,000)	-	(2,000)	51,000	(83,000)
	<b>(128,009)</b>	<b>102,551</b>	<b>(98,393)</b>	<b>51,000</b>	<b>(72,851)</b>
<b>Restricted fixed assets funds</b>					
DFE / ESFA capital grants	22,606	-	(1,222)	-	21,384
Conditions Improvement Fund	19,321	-	(4,095)	-	15,226
	<b>41,927</b>	<b>-</b>	<b>(5,317)</b>	<b>-</b>	<b>36,610</b>
<b>Total restricted funds</b>	<b>(86,082)</b>	<b>102,551</b>	<b>(103,710)</b>	<b>51,000</b>	<b>(36,241)</b>
<b>Unrestricted funds</b>					
Unrestricted funds	6,262	2,816	(612)	-	8,466
<b>Total Unrestricted funds</b>	<b>6,262</b>	<b>2,816</b>	<b>(612)</b>	<b>-</b>	<b>8,466</b>
<b>Total Funds</b>	<b>(79,820)</b>	<b>105,367</b>	<b>(104,322)</b>	<b>51,000</b>	<b>(27,775)</b>

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

#### General Annual Grant Fund (GAG)

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency.

#### Pupil Premium Fund

This represents funding paid by the ESFA to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.



# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## Universal Infant Free School Meals (UIFSM)

This represents funding from the ESFA to fund school meals for all infant pupils.

## Funds in Deficit

Pension Reserve – This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end, additional contributions are being made and this is reviewed every 3 years by the LGPS.

## Analysis of Funds – previous year ended 31 August, 2019

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(4,775)	236,166	(231,894)	503	-
Pupil Premium	-	3,960	(3,960)	-	-
Sports Premium	-	16,230	(12,239)	-	3,991
UIFSM	-	8,959	(8,959)	-	-
Other ESFA Grants	-	30,765	(30,765)	-	-
Other Income	-	4,230	(4,230)	-	-
Pension reserve	(68,000)	-	(5,000)	(59,000)	(132,000)
	(72,775)	300,310	(297,047)	(58,497)	(128,009)
<b>Restricted fixed assets funds</b>					
DFE / ESFA capital grants	16,378	8,810	(2,582)	-	22,606
Conditions Improvement Fund	32,219	-	(12,898)	-	19,321
	48,597	8,810	(15,480)	-	41,927
<b>Total restricted funds</b>	<b>(24,178)</b>	<b>309,120</b>	<b>(312,527)</b>	<b>(58,497)</b>	<b>(86,082)</b>
<b>Unrestricted funds</b>					
Unrestricted funds	-	22,583	(15,818)	(503)	6,262
<b>Total Unrestricted funds</b>	<b>-</b>	<b>22,583</b>	<b>(15,818)</b>	<b>(503)</b>	<b>6,262</b>
<b>Total Funds</b>	<b>(24,178)</b>	<b>331,703</b>	<b>(328,345)</b>	<b>(59,000)</b>	<b>(79,820)</b>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 16. Analysis of net assets between funds - current period 31 December, 2019

Fund balances at 31 December 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	30,179	30,179
Current assets	8,466	45,038	6,431	59,935
Current liabilities		(34,889)	-	(34,889)
Pension scheme liability		(83,000)	-	(83,000)
<b>Total net assets</b>	<b>8,466</b>	<b>(72,851)</b>	<b>36,610</b>	<b>(27,775)</b>

## Analysis of net assets between funds – previous year 31 August, 2019

Fund Balance as at 31 August, 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Restated Total Funds £
Tangible fixed assets	-	-	35,497	35,497
Current assets	3,991	33,090	6,430	43,511
Current liabilities	-	(26,828)	-	(26,828)
Pension scheme liability	-	(132,000)	-	(132,000)
<b>Total net assets</b>	<b>3,991</b>	<b>(125,738)</b>	<b>41,927</b>	<b>(79,820)</b>

## 17. Reconciliation of net movement in funds to net cash flow from operating activities

	1 September to 31 December 2019 £	31 August 2019 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,045	3,358
Adjusted for:		
Depreciation	5,317	15,480
Capital grants from DFE and other capital income	-	(3,604)
Interest receivable	-	(70)
Defined benefit pension scheme costs less contributions payable	2,000	5,000
(Increase) / decrease in debtors	8,748	(7,693)
Increase / (decrease) in creditors	8,061	(16,097)
	<b>25,171</b>	<b>(3,626)</b>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

## 18. Commitments under operating leases

### Operating leases

At 31<sup>st</sup> December 2019 the total of the academy trusts future minimum lease payments under non-cancellable operating leases were:

	<b>31 December 2019 £</b>	<b>31 August 2019 £</b>
Amounts due within one year	1,732	1,732
Amounts due between one and five years	3,031	3,464
	<u>4,763</u>	<u>5,196</u>

## 19. Analysis of cash and cash equivalents

	<b>At 31 December 2019 £</b>	<b>At 31 August 2019 £</b>
Cash in hand and at bank	49,345	24,174
	<u>49,345</u>	<u>24,174</u>

## 20. 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.

## 21. Pension and similar obligations

The academy trust's employees belong to two principal 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 'Your Pension Service' – Cumbria County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and the LGPS 31 March 2016.

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

# **GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019**

### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

### **THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

### **VALUATION OF THE TEACHERS' PENSION SCHEME**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme Website.

### **SCHEME CHANGES**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period 1 September to 31 December 2019 was £2,700 (August 2019: £10,920), of which employer's contributions totalled £2,173 (August 2019: £8,666), and employee's contributions totalled £527 (August 2019: £2,254). Included within employers contributions is £500 (August 2019: £2,125) pension deficit lump sum. The agreed contribution rate for future years are 5.5% - 12.5% for employees and 17.9% for employers.

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 of Education. The guarantee came into force on 18<sup>th</sup> July 2013.

The LGPS is in deficit and the academy trust has agreed to make additional contributions, it is anticipated that the additional contributions will need to be paid for the next 14 years.

In 2015, the government introduced reforms to public sector pensions, meaning many public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to members in these schemes amounted to unlawful discrimination. This case is known as McCloud.

The Supreme Court decision in June 2019 not to allow the government leave to appeal, means the difference in treatment needs to be remedied across all relevant schemes, including the Local Government Pension Scheme (LGPS).

At the present time the academy has not considered the impact of McCloud on pension liabilities and no additional annual FRS102 actuarial valuation has been obtained for disclosed in the trust's December 2019 financial statements. The implications will be considered in the next scheme valuation for 31 August 2020.

The latest available Pension Scheme Accounting figures are as at 31 August 2019. A report for the period ended 31 December 2019 has not been requested from Cumbria County Council therefore it has not been possible to include any Pension Scheme Accounting figures as at 31 December 2019.

### Principal Actuarial Assumptions

	<b>At 31 December 2019</b>	<b>At 31 August 2019</b>
Rate of increase in salaries	<b>3.6%</b>	<b>3.6%</b>
Rate of increase for pensions in payment / inflation	<b>2.2%</b>	<b>2.2%</b>
Discount rate of scheme liabilities	<b>2.1%</b>	<b>1.8%</b>
Inflation assumption (CPI)	<b>2.1%</b>	<b>2.1%</b>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

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

	At 31 December 2019	At 31 August 2019
Retiring today		
Males	22.5	23.3
Females	25.1	25.9
Retiring in 20 years		
Males	24.1	25.6
Females	27.0	28.6

### Sensitivity Analysis

	Central		+0.1% p.a discount rate		+0.1% p.a inflation		+0.1% p.a pay growth		1 year increase in life expectancy	
	Dec 2019 £000	Aug 2019 £000	Dec 2019 £000	Aug 2019 £000	Dec 2019 £000	Aug 2019 £000	Dec 2019 £000	Aug 2019 £000	Dec 2019 £000	Aug 2019 £000
Liabilities	354	401	347	393	360	409	354	401	363	408
Assets	(271)	(269)	(271)	(269)	(271)	(269)	(271)	(269)	(271)	(269)
Deficit / (Surplus)	83	132	76	134	89	140	83	132	92	139
Projected Service Cost for next Year	10	16	10	16	11	17	10	16	11	17
Projected Net Interest Cost for next year	2	2	2	2	2	2	2	2	2	2

	31 December 2019 £000	31 August 2019 £000
Discount rate +0.1%	(7)	(8)
Discount rate -0.1%	7	8
Mortality assumption - 1 year increase	9	7
Mortality assumption - 1 year decrease	(9)	(7)
CPI rate +0.1%	6	8
CPI rate -0.1%	(6)	(8)

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

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

	<b>Fair value at 31 December 2019 £</b>	<b>Fair value at 31 August 2019 £</b>
Equities	127,000	131,000
Government Bonds	51,000	48,000
Bonds	17,000	16,000
Property	15,000	15,000
Cash / liquidity	12,000	12,000
Other	49,000	47,000
Total market value of assets	271,000	269,000
Present value of scheme liabilities		
Funded	(354,000)	(401,000)
Surplus / (deficit) in the scheme	(83,000)	(132,000)

The actual return on scheme assets for the period ended 31 December 2019 was £nil, (August 2019: £19,000).

### Amounts recognised in the statement of financial activities

	<b>31 December 2019 £</b>	<b>31 August 2019 £</b>
Current service cost (net employer contributions)	(4,000)	(13,000)
Interest income	2,000	7,000
Interest cost	(3,000)	(8,000)
<b>Total operating charge</b>	<b>(5,000)</b>	<b>(14,000)</b>

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

	<b>31 December 2019 £</b>	<b>31 August 2019 £</b>
<b>As at 1st September 2019</b>	<b>401,000</b>	<b>307,000</b>
Current service cost	4,000	13,000
Interest cost	3,000	8,000
Employee contributions	1,000	2,000
Actuarial (gain) / loss	(55,000)	71,000
<b>As at 31st December 2019</b>	<b>354,000</b>	<b>401,000</b>

# GILSLAND CHURCH OF ENGLAND PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD 1<sup>ST</sup> SEPTEMBER TO 31<sup>ST</sup> DECEMBER 2019

Movement in the fair value of the Academy's share of scheme assets:

	31 December 2019 £	31 August 2019 £
<b>As at 1st September 2019</b>	<b>269,000</b>	<b>239,000</b>
Expected return on assets	2,000	7,000
Actuarial gain / (loss)	(4,000)	12,000
Employer contributions	3,000	9,000
Employee contributions	1,000	2,000
<b>As at 31st December 2019</b>	<b>271,000</b>	<b>269,000</b>

The estimated value of employer contributions for the year ended 31<sup>st</sup> December 2019 is £7,000 (August 2019: £9,000)

The history of experience adjustments is as follows:

	31 Dec 2019 £	31 Aug 2019 £	31 Aug 2018 £	31 Aug 2017 £	31 Aug 2016 £
Present value of defined benefit obligations	(354,000)	(401,000)	(307,000)	(301,000)	(315,000)
Fair value of share of scheme assets	271,000	269,000	239,000	213,000	184,000
<b>Deficit in the scheme</b>	<b>(83,000)</b>	<b>(132,000)</b>	<b>(68,000)</b>	<b>(88,000)</b>	<b>(131,000)</b>

## 22. Related Party Transactions

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

During the period school meals were provided by The Samson Inn. Trustee L McNulty and Member L Harrison are Directors of the Samson Inn. £3,542 was invoiced during the period to 31<sup>st</sup> December 2019.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

## 23. Events after the end of the reporting period

From 1<sup>st</sup> January 2020 the academy has joined The Good Shepherd Multi Academy Trust.

The assets, liabilities and fund balances relating to the academy will be re-brokered over to the Multi Academy Trust. The company will be struck off once the accounts have been approved.