

Ghyllside School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2022

Company Registration Number: 08178033
(England & Wales)

Ghyllside School

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Reference and Administrative Details

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2022.

	Appointed	Resigned
The Members		
The Members of the company who served during the period were:		
Mr Mark Jones		28/03/2022
Mr Paul O'Reilly		
Mr Robert Talbot		
Mrs Lucy Clare Bound		
Mrs Jennifer Ruth Pack		19/03/2022
Mrs Diane Horner	31/01/2022	
Mr Peter Hicks	28/03/2022	

The Trustees

The Trustees who served the company during the period were:

R Talbot (Vice-Chair)		
D Horner (Chair of Trustees from 01/02/22)		
M Jones		
D Bell		
L Bound		31/01/2022
L Graham		
E R Winter		
J Pack		
H Davies (Headteacher and Accounting Officer)		
M Curry		19/03/2022
A Tancred		
D Cibich		11/11/2021
R Simpson		23/02/2022
A Biden	27/03/2022	
J Taylor	27/03/2022	
D Shaw	27/03/2022	
Y Williamson		
E Garbutt		
P O'Reilly		28/03/2022

Company Secretary N Audin

Senior Management Team

- | | |
|----------------------|----------------|
| • Headteacher | H Davies |
| • Deputy Headteacher | M A Williamson |
| • Deputy Headteacher | E Garbutt |
| • Assistant Head | L Meyfroidt |

Company Name Ghyllside School

Principal and Registered Office Ghyllside School
Gillinggate
Kendal
Cumbria
LA9 4JB

Company Registration Number 08178033

Reference and Administrative Details (continued)

Independent Auditor

Saint and Co
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Bankers

Lloyds Bank
9 Finkle Street
Kendal
Cumbria
LA9 4AG

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils of mixed abilities aged 3 to 11 serving a catchment area in Kendal. It has a pupil capacity of 436 in main school with an additional 78 15hr nursery places. The full time equivalent school roll was 436 in the school census on 01 October 2021.

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 of Ghyllside School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Ghyllside School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative details.

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.

Trustee's Indemnities

The Trustees of the Academy are covered by indemnity insurance paid for by the trust.

Method of Recruitment and Appointment or Election of Trustees

The Trustees are Directors of the charitable company for the purposes of the Companies Act 1985 and Trustees for the purposes of charity legislation.

Arrangements to appoint new Trustees are detailed in the Articles of Association which were amended on 28/03/2022 to separate Members and Trustees. The term Trustees replaces the term Governors and the Board is the Trustee Board, not the Governing Body.

- 5 Members
- 10 Trustees appointed by Members. The Head Teacher has been appointed as one of these 10
- 3 Co-opted Trustees - appointed 3 staff representatives as Co-opted Trustees
- A minimum of 2 Parent Trustees elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when s/he is elected. Any election of Parent Trustees that is contested shall be held by secret ballot. The Trustee Board shall take all steps as are reasonably practical to ensure that all parents of a registered pupil at the Academy are informed of the vacancy, informed they are entitled to stand as a candidate and vote at the election and given the opportunity to do so.
- There is no longer an LA Trustee

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees joining the Academy Trust complete an induction programme, including receipt of company documentation and a meeting with the Chair of Trustees and Headteacher.

Trustees' Report (continued)**Organisational Structure**

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 appointments.

The Senior Leadership are the Head, 2 Deputy Heads and the Assistant Head. These managers control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Arrangements for setting pay and remuneration of key management personnel

The Senior Leadership team have annual appraisal reviews with mid-year updates. The Head Teacher's appraisal is held with a sub group of the Trustees, the rest of the SLT have their appraisal with the Head Teacher. Pay is performance related and subject to targets being met. The Headteacher's pay and appraisal review is undertaken by a trustees sub group in conjunction with an externally appointed qualified advisor.

Trade union facility time

The Academy has no relevant union officials.

Connected Organisations, including Related Party Relationships**Ghyllside Out of School Club**

Ghyllside Out of School Club provides wrap-around care for pupils of Ghyllside School from 8am to 6pm, before and after school and during school holidays. Supervised by the Deputy Head Lower School (DHLS), the OOSC is a separate Charitable Incorporated Organisation (CIO) to that of Ghyllside School and as such produces its own Audited Annual Accounts and Financial Statements and has a separate body of Trustees to that of Ghyllside School. The OOSC pays Ghyllside School a rental fee for the use of the School's buildings and facilities and also a management fee in respect of the DHLS's time. One member of the Trustees Board of Ghyllside School also serves as a Trustee of the OOSC, along with the Head Teacher.

The Kendal Collaborative Partnership

The Kendal Collaborative Partnership consists of 14 primary schools, 2 secondary schools and 1 special needs school across the South Lakes area. The partnership exists to work collaboratively to the benefit of all those within its member organisations, to meet this end in a sustainable way and to deliver those objects in a positive and proactive way, taking affirmative actions.

Objectives and Activities**Objects and Aims**

The principal object and activity of the charitable company is the operation of Ghyllside School to provide education for pupils of mixed abilities between the ages of 3 to 11. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education.

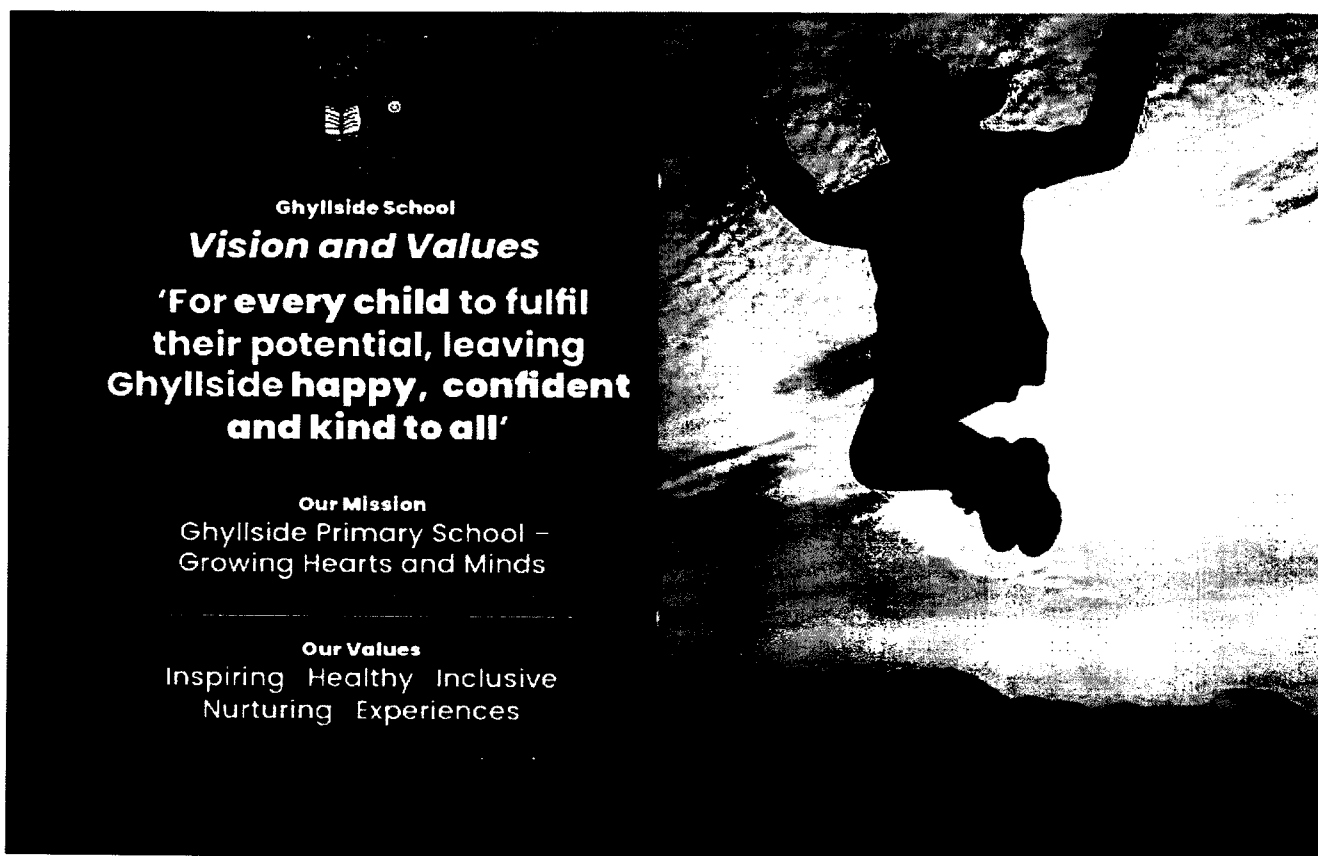
The main objectives of the Academy during the period ended 31st August 2022 are summarised below.

- To ensure equality of opportunity for all children
- To raise the standard of educational achievement for all pupils
- To provide value for money
- To comply with all statutory requirements
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under constant review

Trustees' Report (continued)

Objectives, Strategies and Activities

We do this through the implementation of our school vision:



Implementing our Vision through our Curriculum

Our Aspiration: For every child to fulfil their potential, leaving Ghyllside happy, confident and kind to all

Our Mission: Growing Hearts and Minds

Our Values: Inspiring Healthy Inclusive Nurturing Experiences

We aim to ensure our curriculum lines up with our vision through -

Inspiring – We believe that it is our role to enable children to value the uniqueness of the physical environment they are growing up in - on the edge of the most popular National Park in Britain – as well as see the opportunities open to them more widely in the future. To do this we provide a curriculum that is based on understanding of, and experiences in, our local environment and the Lake District National Park, but also provides opportunities for children to expand their horizons and thinking.

Healthy – We believe that excellent physical and mental health are fundamental prerequisites to academic success and leading a happy, fulfilling life. Therefore, we aim to provide a curriculum and environment that instils in our pupils the knowledge and experience to make healthy choices and lead healthy lives in relation to their own physical and mental health, and relationships.

Inclusive – We aim to provide a curriculum and environment that is inclusive and accessible to all regardless of prior attainment, socio economic background, differing needs, race and orientation. This curriculum and environment nurtures openness and celebrates diversity.

Nurturing – We aim to provide a curriculum and environment that sees children as individuals, providing opportunities and experiences for them to be able to follow their own interests, setting them firmly on the road to developing into well rounded individual young adults.

Trustees' Report (continued)

Experiences – We believe that meaningful, well planned experiential learning has a profound beneficial effect on children's learning. Therefore, we aim to provide a curriculum that is based in experiential learning that all pupils access fully regardless of their individual starting points, backgrounds and prior experiences.

We aim to fulfil these goals in an environment that is:

- Safe
- Led and supported by a committed and experienced board(s) of Trustees and Members
- Staffed by an experienced, highly skilled staff group
- Welcoming to all
- Well resourced in terms of buildings, infrastructure and consumables
- Outward looking and supportive of other schools
- Economically viable
- Held in high regard in our local community

Public Benefit

In setting objectives and planning activities the Trustees have given consideration to the Charity Commission's general guidance on public benefit. The public benefit is providing education in accordance with the Principal Activities detailed above, and additionally in providing access to school facilities to local community groups and adult education.

Strategic Report**Achievements and Performance*****Including Key Financial Performance Indicators*****Ofsted judgement**

On 16 October 2018 the school had a short section 8 Ofsted inspection, the first since April 2014. It was reported that the school continues to be 'good'. The good judgement was maintained due to the work staff have put into moving the school forward in the intervening four and a half years. Analysis of the rate at which Ofsted are 'catching up' with inspections post Covid-19 would indicate that we are likely to be inspected during the second half of this, or the next, academic year.

Other areas of achievement since our last inspection are:

Ofsted Area for Improvement 1 - Further embed the changes made to increase the proportion of disadvantaged pupils making good progress in mathematics by the end of key stage 2. – Evidence: All internal assessment and reporting for our Y6 cohort shows smaller PP gap than that present in Summer 2018

Ofsted Area for Improvement 2 - Further develop their (Trustees and leaders) skills to measure the impact of additional funding to support the progress of disadvantaged pupils – Evidence: See PP Group tracking and actions in relation to catch up work, SDP, Trustee monitoring, Progress & Attainment Committee minutes, PP Review on website.

Maintain KS2 Reading, Writing and Maths expected level results broadly in line with, or better than, national averages. Evidence: Reading – All KS 2 percentages for the school (including reading) were above national averages in Summer 2022.

Continue to increase the equity of take up of curricular extras and extra-curricular activities between advantaged and disadvantaged pupils. Evidence: See PP uptake analysis and various action plans and reports in relation to the support given to disadvantaged children and their families throughout the Covid-19 crisis, resulting lockdowns and isolation periods.

Trustees' Report (continued)

We expect that continued school development would obtain a 'Good' judgement or better in the next Ofsted inspection.

Pupil attendance

Year	2019/20	2020/21	2021/22
Attendance	96.6%	96.9%	93.8%

Measures implemented to reverse our previous slight downward trend have previously been successful and remain in place post Covid-19. This included increased reporting of attendance to parents, further holding parents to account for absences including 1:1 consultations with the Head Teacher if necessary and closer monitoring of absence figures. Although our post Covid-19 attendance figures have dropped they have continued to remain above the national average.

Pupil recruitment

We had 59 new starters in our reception class in September 2022. This is a post Covid-19 rise back to our 'normal' intake pre Covid and is still a high intake when compared against other Kendal schools as these are low birth rate years across Kendal. Alongside this we continue to 'pick up' children from the local area throughout our school years and rarely lose any children to neighbouring schools - children only leave us if they are moving away or moving on to secondary school. At the time of writing we have the highest NOR in the last 6 years.

We have maintained this through putting a lot of time into advertising reception places, making senior staff available to show parents around school and answer questions, through maintaining our positive image in the local community and through the use of social media, local radio and local press releases. Our parental questionnaire returns show that our parent group are highly complementary about the school and continue to recommend us to friends and family.

Budget control

We continue to monitor our budget expenditure closely and on a monthly basis. This is done by the School Business Manager and Headteacher and then reported and questioned at the Trustees' Resources committee meetings monthly.

The Trustee Resources Committee monitors financial performance throughout the year in several ways, including by reviewing and discussing any variances between actuals and budget in the income and expenditure lines detailed within the monthly management accounts presented to all of its 9 meetings per year. Subsequently, revisions to the budget are made in instances where such variances cannot be addressed in the financial year. The Resources Committee also undertakes both Financial Insights and Financial Efficiency Reviews, together with a Financial Self-Assessment, throughout the year in order to review its financial performance by using benchmarked data through comparing Ghyllside School with other similar schools. The results of these reviews identify any areas where improvements could be made, including any budget lines over or under spending by comparison and an action plan is subsequently agreed in order to address any relevant areas.

Going Concern

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

Trustees' Report (continued)**Financial Review****Financial Review**

The Academy Trust's accounting period is 01 September 2021 to 31 August 2022.

During the period under review, the majority of the Academy Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Academy's educational activities. The grants received during the accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year, the school received total revenue funding for Charitable activities of £2,309,381, of which £1,688,720 was from the DfE in the form of GAG funding (73%).

Revenue expenditure was £2,363,948, of which staffing is the main area of cost at £2,012,818 (85%).

COVID - 19 impact

The Academy Trust started the 2021 financial year aware that the Trust would end the year with a relatively small carry forward. The Trust made the decision to sustain this due to future changes to the Pupil Funding Formula anticipated in September 2021 that would benefit the budget. The alternative would have been to reduce staffing costs in year, which would have had a disproportionately large cost due to the need to generate redundancy payments. Due to Covid-19, the Trust's income was significantly less than predicted. As a result of this, through the 2021 financial year, these additional savings needed to be made out of an already tight expenditure. Moving forward, the Trust's carry forward in the next three years is forecast to increase to a level that gives an adequate financial buffer in the event of future unforeseen circumstances.

Covid-19 has impacted on the financial performance of the trust by limiting any reserves spend budgeted for the financial year. The Academy Trust did receive additional Covid-19 funding for catch-up premium. This funding was spent on specific phonics activities to support pupils' education recovery in line with the curriculum expectations and on any other highlighted gaps in pupil attainment across the school, with particular focus on disadvantaged and vulnerable pupils. In addition, the Trust received financial support in the form of the Workforce Claim Fund to cover Teacher absence and the contracting of additional Support Staff to continue to provide onsite meals to pupils during a period of kitchen staff self-isolation due to Covid-19.

At present the financial implications of Covid-19 pandemic have reduced vastly however, we remain aware that there may be further outbreaks.

As predicted we are now in a stronger financial position. We continue to monitor the budget closely as additional staffing and fuel costs alongside less predictability around income grants impact our budget.

Trustees' Report (continued)**Reserves Policy**

The Trustees, via the work of their Resources Committee, regularly monitor on-going and projected levels of reserve, ensuring these are adequate for the continued operation of the Academy. This monitoring process takes into account shifts in local and national funding policies and developments as well as material expenditure requirements.

Ghyllside School believes that the funding received in any one year should be used, in the main, to support the children on roll at the time unless there is a specific project that would require the accumulation of funding over more than one year.

However, so as to ensure the stability of the School's organisational operations - to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital - Trustees consider an operational reserve of 3 - 5% in any one financial year to be prudent.

The level of reserve for each year of the School's 4-year financial forecast is determined by Trustees as part of the annual budget setting process, alongside the need to ensure that a balanced budget is agreed, when any unspent funds brought forward from previous years can be drawn on.

Steps are being taken to bring the level of reserves held into line with the level set out in the Reserves Policy.

Funds in Deficit

The General Annual Grant fund was in deficit at the year-end which is mainly due to contributions towards capital projects in previous years. The Academy is looking to reduce this in the future through costs savings or possibly transferring a balance of unrestricted funds that is at the Academy's disposal.

The Academy holds a deficit on the local government pension scheme of £230,000. In the event of the closure of the Academy, this deficit would be met by the DfE.

The deficit position of the pension scheme will result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years.

Investment Policy

The available funds for the Academy Trust dictate the investment policy. Cash balances are held within a mainstream bank with a strong ethical and environmental profile.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial control and this is explained in more detail in the following statement.

Financial and Risk Management Objectives and Policies

The Trustees are responsible for the management of the risks the Academy is exposed to, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Academy's Risk Register, and procedures are being developed to manage the risk.

Principal Funding Sources

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Trustees' Report (continued)

Fundraising

The Academy does not engage with professional fundraisers to undertake any fundraising activities on its behalf. The Academy from time to time does minor level fundraising activities to raise funds for the Academy whereby students seek voluntary donations from parents and the local community.

Plans for Future Periods

The Academy will continue to strive to provide an exemplary education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Our budget forecast is predicting an increase in reserves over the next three years as a result of reductions in staffing and other savings.

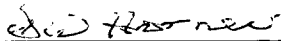
Auditor

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 auditors, Saint & Co, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, was approved by the Trustees and signed on its behalf by:



D Horner
Chair of Trustees

12/12/22

Date

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Ghyllside Academy Trust and the Secretary of State for Education.

They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met 7 times during the year, which included the AGM. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Bell	2	7
M Jones	2	7
E Garbutt (Staff Trustee)	3	7
D Horner (Chair of Trustees from 31/01/22)	6	7
R Talbot	7	7
M Williamson (Staff Trustee)	0	7
P O'Reilly - Resigned 28/03/22	4	4
H Davies (HT and Accounting Officer)	7	7
L Bound (Chair of Trustees until 31/01/22 - Resigned)	4	4
M Curry - Resigned 19/03/22	1	4
J Pack	4	7
R Simpson - Resigned 23/02/22	0	4
A Tancrel	7	7
D Cibich - Resigned 11/11/21	1	1
L Graham	7	7
B Winter	6	7
A Biden - Joined 27/03/22	3	3
D Shaw - Joined 27/03/22	3	3
J Taylor - Joined 27/03/22	3	3

Governance Statement (continued)

Board of Trustees' work, performance and changes in composition

Trustees amended their structure with effect from 28 March 2022, when a separation of Members and Trustees was effected. Following this, there are 5 Members, who subsequently appointed 8 out of a possible 10 Trustees; and there are currently 4 out of a possible 6 Parent Trustees. The Trustees have also appointed the 2 Teaching and 1 Non-Teaching Staff Representatives as Co-opted Trustees.

The Resources Committee also undertakes a Financial Management and Governance Self-Assessment; the Schools' Resource Management Self-Assessment; a Financial Efficiencies Review; and the FRC's Risk Management, Internal Control and Related Financial & Business Reporting review on an annual basis and reports its findings to the Trustee Board. In addition to this, a full Skills Audit is undertaken annually in respect of all Trustees in order to inform a full review of governance and the effectiveness of the Board of Trustees, together with identifying potential areas for training.

Trustees review the Appraisal and Pay Policies annually. These are closely aligned to the CCC model policies endorsed by the Teachers' Associations. No trustees receive remuneration.

The Risk Management Policy, Strategy and Register in respect of Strategic and Financial Risks are reviewed at each meeting of the Resources Committee and updated accordingly, along with any action plan arising therefrom. This forms part of the trust's internal control and corporate governance arrangements, along with ensuring best practice. Key risk indicators are identified on an on-going basis and closely monitored regularly at all levels. The Resources Committee, in turn, reports to the Trustee Board. In April 2022, the Strategic and Financial Risks Register, Strategy and Policy were independently reviewed and found to be fit for purpose.

The steps taken both previously and on an ongoing basis to match expenditure with the funding available proved to be sufficient; and the school has been able to continue to produce balanced budgets for present and future years by using its revenue reserves.

This situation was partly helped by Government grant funding, to both meet the additional costs resulting from the national teaching staff's pay award and increases to employers' pension and national insurance contributions, together with the additional costs associated with the Covid-19 pandemic.

However, Trustees recognize that the year 2022-23 will again be particularly challenging, not least due to the significant increases due to both the cost of living crises and energy costs. But Trustees remain committed to mitigating financial risks by planning an albeit reduced but nevertheless still prudent surplus/carry-over each year as part of the four-year budget plan, which is closely monitored at each meeting of the Resources Committee - a sub-committee of the main board of trustees - the remit of which includes all finance, audit, internal control and staffing matters, together with a direct strategy for capital investment in line with School's priorities as detailed within its on-going Development Plan.

Conflicts of interest

All trustees, the School Business Manager and Governance Professional (Clerk) complete the Related Parties/Register of Business & Pecuniary Interests Register by October of every year, with the information being published in the Governance Document of the school website; and a Declaration as to any changes is completed and signed at the start of every meeting during the year, with the main register subsequently being updated.

Should a trustee have a personal interest in an agenda item to be discussed, they would declare that interest at the start of the meeting and not take part in any subsequent discussions on the matter.

Meetings

The Trustee Board meets at least 4 times per year with financial management and oversight being delegated to the Resources Committee, which meets at least 9 times per year and reports back to the Trustee Board.

Governance Statement (continued)**Governance Review**

A review of Ghyllside Governance was carried out in October 2021 by the Resources Committee in accord with the financial framework contained in the Academy Trust Handbook 2021 and so as to ensure compliance thereof. The next such review is scheduled for September 2022.

The Resources Committee also undertakes a Financial Management and Governance Self-Assessment; the Schools' Resource Management Self-Assessment; a Financial Efficiencies Review; and the FRC's Risk Management, Internal Control and Related Financial & Business Reporting review on an annual basis and reports its findings to the Full Trustee Board.

In addition to this, a full Skills Audit was undertaken in respect of all Trustees in order to inform a full review of governance and the effectiveness of the Board of Trustees, which is also in the process of reviewing its structure.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Horner (Chair)	10	10
M Williamson (Staff Trustee)	9	10
R Talbot	10	10
M Jones	2	10
B Winter - Joined Committee 23/05/22	1	3
P O'Reilly - Resigned 28/03/22	2	6
E Garbutt (Staff Trustee)	3	10
M Curry - Resigned 19/03/22	3	5
L Bound - Resigned 31/01/22	3	4
H Davies (Head Teacher and Accounting Officer)	10	10

As the Trust's annual income is below the threshold set within the Academy Trust Handbook, there is no requirement for the Trustee Board to establish a dedicated Audit & Risk Committee. Nevertheless, the Resources Committee oversees and approves the Trust's programme of internal scrutiny in order to ensure that risks are being addressed appropriately and reports its findings to the full Trustee Board on a regular basis.

Review of Value for Money

I accept that as Accounting Officer of Ghyllside School I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

Although the Academy Trust was not subject to any lockdowns during the 2021/22 academic year we continued to experience Covid-19 related issues, particularly from Nov 22 - April 23. During this period we continued to support all current suppliers, honouring any commitments, in particular Catering suppliers and Grounds Maintenance contracts to ensure support for local services provided. For 2021/2022, the Covid-19 pandemic has not adversely impacted on value for money, although the Academy Trust is aware that value for money may be affected in future years.

Covid - 19 impact

The Covid-19 pandemic prevented the Trustee Board from meeting in person, however, it substituted physical with virtual meetings. Not meeting in person for a prolonged period precipitated a switch from paper forms and declarations to electronic ones and the adoption of a cloud service for document sharing. We now have a hybrid system of virtual and in person Trustee meetings.

Governance Statement (continued)

The Trustees of Ghyllside School are committed to achieving Best Value in all decisions made. We use the principles of Best Value as they apply to securing continuous improvement in this school and will:

- regularly review the functions of the school, **challenging** how and why services are provided and setting targets and performance indicators for improvement. This is best seen through the writing and review of our School Development Plan;
- monitor outcomes and **compare** performance with similar schools and within the school (through membership and work with the Kendal Collaborative Partnership etc.);
- **consult** appropriate stakeholders before major decisions are made; and
- promote fair **competition** through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that the school is using its resources effectively to meet the needs of pupils.

The progress of the annual budget plan and the Best Value statement will be monitored with the School Improvement Plan in order to determine the extent of continuous improvement.

The school has in place a strategy and a set of guidelines, updated annually, which will ensure that Best Value will be reviewed and demonstrated. A Purchasing Assessment visit carried out by the Strategic & Commercial Procurement Office in February 2009 stated that we do provide best value for resources, utilities and other school-based equipment. This year we are focussing on:

2022-23 priorities

- By Christmas 2022 we will have a well established system for teaching and evidencing progress in Science, RE and foundation subjects embedded throughout school
- By Easter 2023 we will have a well established system for foundation subject assessment throughout school
- To continue to embed our Pupil Personal Development curriculum across school
- To increase student voice across school
- To ensure teachers' wellbeing is not adversely impacted by workload
- To ensure all of our safeguarding practices and procedures are in line with Keeping Children Safe in Education Sept '22
- To eliminate any differential between the academic achievement of pupil premium and non-pupil premium children by the time they leave Ghyllside School (three year plan)

Governance Statement (continued)**Staffing.....**

Sufficient funding is allocated so that the school is able to continue to employ a minimum of 2 full time class teachers for each year group, meeting our stated aim to maintain two classes for each age group. This year we have again split the year six cohorts into three groups for maths and literacy in the mornings. Senior Teaching Assistants are deployed throughout school to ensure an appropriate level of support for all children, this includes a full time HLTA deployed in our nurture unit. We ensure teachers receive their PPA time through the employment of specialist Computing & PE teachers.

Resources

The school will continue to purchase high quality resources. Curriculum Co-ordinators and Phase Co-ordinators manage their specific budgets and augment resources through consultation with all staff. Each Phase Group team (4 in school) is provided with funds to meet the demand for consumable resources on an annual basis each May. Resources are audited before the new year's requirements are ordered to ensure efficiency. For 2022 / 23 we have moved to a system of 'through books' for curriculum reasons, but will have the knock on effect of reducing our curricular book spend moving forward. In addition, the school will maintain its focus on purchasing reading books (£5000) to support the teaching of reading throughout the school and provide a broad range of books with varied interest levels to ensure the inclusion of all readers. The library's fully integrated computerised system for recording withdrawals & returns is maintained. Resources will be purchased to help the school further develop its effective and manageable system of assessment and recording. Computing facilities and resource development will remain a high priority; we will endeavour to meet the challenges outlined in our current Improvement Plan.

The School Environment

We have previously used the CIF funding to replace windows and external doors through school which has vastly improved the thermal efficiency of the school site and safety for the children. A structured programme of grounds and buildings maintenance and development is operational in line with the Asset Management Plan and is worked through under the supervision of the Trustees' Premises, Health & Safety Committee. We continue to keep abreast of CIF bid developments and potential areas for school buildings improvement.

Partnerships....

We are an active member of the Kendal Collaborative Partnership, (KCP, a local consortium of twelve primary, one special and two secondary schools in and around Kendal) who work together to raise standards, provide high quality staff CPD and ensure best value by collaborating on procurement issues. We will partake in the Peer Review system devised through the LASL (Local Association of System Leaders) to further enhance School Improvement strategies once this is robustly up and running again post Covid.

Financial Management

The Statement of Internal Control is in place. The school Trustees' Resources Committee hold regular finance meetings (monthly) to monitor the budget and discuss problem areas and strategies on how to deal with any particular situation that may arise. The whole Trustee Board are kept informed through Resources Committee reports tabled at each Trustees' meeting. A budgetary balance will be maintained through careful financial management, anticipation of future trends and sensible, realistic expenditure. Pupil numbers are presently increasing and are the highest in at least the last six years; at the time of writing (Nov 22) we have 417 on main school roll and a full nursery.

**Signed:****Name:** MR HUW DAVIES**Academy Trust Accounting Officer**

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ghyllside School for the period 01 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 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 financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

Internal Scrutiny

For the year ended 31 August 2022 a peer review was performed by the Headteacher, from another Academy Trust. The peer reviewer was independent of the trust and looked at the risk management procedures and other controls.

In addition, the Trust agreed, for the second year to work with an Internal Auditor, Stephen Lester MBE ACMA, to establish and develop a rigorous approach to internal audit that supports effective governance, mitigates risk and ensures that the trust is well placed to deliver its strategic objectives. The service provided meets the Academy Trust Handbook definition of a bought-in internal audit service from an individual with professional indemnity insurance.

Prior to establishing the Internal Audit programme for the year, Trustees reviewed a range of data to inform the Internal Control and Scrutiny work for 2021-22 including: Trustees self-assessment, recent work by Trustees on governance and policies, 2020-21 Internal Auditor's report plus the 2020-2021 External Auditor's report (Saint & Co), information from other trusts including recent Fraud cases, and the Department for Education's Good Practice Guide for Internal Scrutiny (published September 2020).

A range of areas were identified for focus for the Internal Control and Scrutiny work for 2021-2022. The assessment would involve three visits and scrutiny was carried out through enquiry and review.

Governance Statement (continued)

The Trustees agreed internal scrutiny reviews across the following key risk areas:

- Use of Integrated Curriculum and Financial Planning (ICFP)
- Fraud Management - review Anti Fraud Policy
- Cyber Security - review current systems including E-Safety Policy
- Planning, forecasting and budgets, including Management Accounts
- Financial and procurement systems
- Cyber Response Plan and cyber preparedness
- DfE Schools Bill and implications for Ghyllside School
- Governance - review Governance documents and standing orders including the financial scheme of delegation

The audit approach used involved: testing of controls, reporting of findings, recommendations and action required. Audit work and investigation was undertaken using a range of methods including questioning and interrogation, scrutiny and review of documents (including policies, manuals and procedures) in depth review and spot checks of financial records.

There are a number of recommendations and improvements which have been identified. The recommendations have been actioned by the Trust and therefore controls and systems are in an even more robust position, appropriate for the size and complexity of the Trust.


Review of Effectiveness

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

- the work of the peer reviewer;
- the work of the internal auditor;
- the financial management and governance self-assessment process.

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

Approved by order of the members of the Trustee Board and signed on its behalf by:



D Horner
Chair of Trustees



H Davis
Accounting Officer

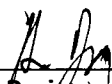
12/12/22 Date

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Ghyllside 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 funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular 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 Academy Trust Handbook 2021.

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.



H Davies
Accounting Officer

12/12/22 . _____ Date

Statement of Trustees' Responsibilities

The Trustees (who 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 Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

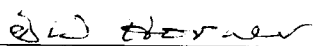
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 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 Trustee Board and signed on its behalf by:



D Horner
Chair of Trustees

12/2/22 Date

Independent Auditor's Report on the Financial Statements to the Members of Ghyllside School**Opinion**

We have audited the financial statements of Ghyllside School for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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 Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Ghyllside School's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

**Independent Auditor's Report on the Financial Statements to the Members of Ghyllside School
(continued)**

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Independent Auditor's Report on the Financial Statements to the Members of Ghyllside School (continued)

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud and non-compliance with laws and regulations, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Independent Auditor's Report on the Financial Statements to the Members of Ghyllside School
(continued)**

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

12 December 2022 Date

Independent Reporting Accountant's Assurance Report on Regularity to Ghyllside School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15/08/2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ghyllside School during the period 01 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective Responsibilities of Ghyllside School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Ghyllside School's funding agreement with the Secretary of State for Education dated 04 September 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- responses to the top 10 'musts' for chairs and other trustees from the ATH was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if 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 / governors' declaration of interests;
- where present obtaining the accounting officer's file.

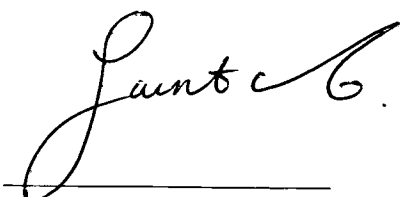
Independent Reporting Accountant's Assurance Report on Regularity to Ghyllside School and the Education and Skills Funding Agency (continued)

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 2021 to 31 August 2022 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 Ghyllside School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ghyllside 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 Ghyllside School and ESFA, for our work, for this report, or for the conclusion we have formed.



Darren Little (Reporting Accountant)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

12 December 2022 Date

Statement of Financial Activities for the Year Ended 31 August 2022

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	2	1,647	-	8,960	10,607	15,347
Charitable activities						
Funding for the Academy trust's educational operations	3	37,808	2,231,310	-	2,269,118	2,093,473
Other trading activities	4	38,592	-	-	38,592	32,905
Investments	5	24	-	-	24	18
Total		78,071	2,231,310	8,960	2,318,341	2,141,743
Expenditure on:						
Charitable activities						
Academy trust educational operations	8	43,547	2,326,402	123,144	2,493,093	2,342,181
Other trading activities	7	9,499	-	-	9,499	677
Total	6	53,046	2,326,402	123,144	2,502,592	2,342,858
Net income / (expenditure)		25,025	(95,092)	(114,184)	(184,251)	(201,115)
Transfers between funds	10	(25,001)	25,001	-	-	-
Other recognised gains and (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	1,379,000	-	1,379,000	(121,000)
Net movement in funds		24	1,308,909	(114,184)	1,194,749	(322,115)
Reconciliation of funds						
Total funds brought forward	18	174,164	(1,631,134)	3,034,375	1,577,405	1,899,520
Total funds carried forward	18	174,188	(322,225)	2,920,191	2,772,154	1,577,405

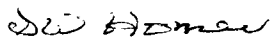
All of the academy's activities derive from continuing operations during the above two financial periods.


Balance Sheet as at 31 August 2022

Company Number 08178033

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		2,911,675		3,025,362
Investments			-		-
			<u>2,911,675</u>		<u>3,025,362</u>
Current assets					
Stock	14	8,500		2,700	
Debtors	15	62,309		69,567	
Cash at bank and in hand		<u>224,141</u>		<u>134,350</u>	
		294,950		206,617	
Liabilities					
Creditors: Amount falling due within one year	16	<u>(199,038)</u>		<u>(173,520)</u>	
Net current assets			<u>95,912</u>		<u>33,097</u>
Total assets less current liabilities			3,007,587		3,058,459
Creditors: Amount falling due greater than one year	17		(5,433)		(8,054)
Provision for liabilities					
Defined benefit pension scheme liability	23		<u>(230,000)</u>		<u>(1,473,000)</u>
Total net assets			<u><u>2,772,154</u></u>		<u><u>1,577,405</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	18	2,920,191		3,034,375	
Restricted income funds	18	(92,225)		(158,134)	
Pension reserve	18,23	<u>(230,000)</u>		<u>(1,473,000)</u>	
Total restricted funds	18		2,597,966		1,403,241
Unrestricted income funds					
General fund	18	<u>174,188</u>		<u>174,164</u>	
Total unrestricted funds			174,188		174,164
Total funds			<u><u>2,772,154</u></u>		<u><u>1,577,405</u></u>

The financial statements were approved by the trustees, and authorised for issue on 12/12/22 and signed on their behalf by:


 D Horner
 Chair of Trustees


 H Davies
 Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2022

	2022	2021			
	£	£			
Reconciliation of net income / (expenditure) to net cash flow from operating activities					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(184,251)	(201,115)			
<i>Adjusted for:</i>					
Depreciation	123,144	121,796			
Capital grants from DfE/ESFA and other capital income	(8,960)	(9,013)			
Other government capital grants	-	-			
Interest receivable	(24)	(18)			
CIF loan interest payable	223	286			
Defined benefit pension scheme costs less contributions payable	108,000	71,000			
Defined benefit pension scheme net pension finance costs	28,000	26,000			
Decrease/(Increase) in stocks	(5,800)	1,450			
Decrease/(Increase) in debtors	7,258	(2,241)			
Increase/(Decrease) in creditors	25,518	4,673			
Increase/(Decrease) in long term creditors	(2,621)	(2,559)			
Increase/(Decrease) in CIF loans includes above	2,558	2,496			
Net cash provided by / (used in) Operating Activities	<u>93,045</u>	<u>12,755</u>			
Cash flows from financing activities					
Repayments of borrowing	(2,781)	(2,782)			
Reduction in loan facility provided	-	-			
Cash inflows from new borrowing	-	-			
Net cash provided by / (used in) financing activities	<u>(2,781)</u>	<u>(2,782)</u>			
Cash flows from investing activities					
Interest receivable	24	18			
Proceeds from sale of tangible fixed assets	-	-			
Purchase of tangible fixed assets	(9,457)	-			
Capital grants from DfE/ESFA and other capital income	8,960	9,013			
Other government capital grants	-	-			
Net cash provided by / (used in) investing activities	<u>(473)</u>	<u>9,031</u>			
Change in cash and cash equivalents in the reporting period	<u>89,791</u>	<u>19,004</u>			
Reconciliation of net cash flow to movement in net funds					
Cash and cash equivalents at 1 September 2021	134,350	115,346			
Change in cash and cash equivalents in the reporting period	89,791	19,004			
Cash and cash equivalents at 31 August 2022	<u>224,141</u>	<u>134,350</u>			
Analysis of cash and cash equivalents	1 Sep 21	Cash flows	31 Aug 22		
	£	£	£		
Cash in hand and at bank	134,350	89,791	224,141		
Total cash and cash equivalents	<u>134,350</u>	<u>89,791</u>	<u>224,141</u>		
Analysis of changes in net debt	1 Sep 21	Cash flows	New	Other non-	31 Aug 22
	£	£	agreements	cash changes	£
Cash	134,350	89,791	-	-	224,141
Loans falling due within one year	(2,559)	2,781	-	(2,844)	(2,622)
Loans falling due after more than a year	(8,054)	-	-	2,621	(5,433)
Finance lease obligations	-	-	-	-	-
Total	<u>123,737</u>	<u>92,572</u>	<u>-</u>	<u>(223)</u>	<u>216,086</u>

Notes to the Financial Statements for the Year Ended 31 August 2022**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.

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 UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Incoming Resources

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 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.
- Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.
- Donations, legacies and other forms of voluntary income are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- Other income, 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.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**1. Statement of Accounting Policies (Continued)**

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

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

Deferred Income

Grants and other funding received for the Academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

Expenditure

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

- 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.
- 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.

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**1. Statement of Accounting Policies (Continued)****Tangible Fixed Assets**

Assets are carried at valuation/cost, net of depreciation and any provision for impairment.

Assets costing £1000 or more (multiple assets not included if individual assets are under £250) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Depreciation

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

- Leasehold buildings - straight line over economic life (ranging from 29 to 58 years)
- Plant and machinery – straight line over economic life (ranging from 10 to 30 years)
- Information communications & technology equipment - 25% straight line
- Furniture, fittings & equipment - 10% straight line

Land leased from Cumbria County Council is depreciated straight line over the 125 year term of the lease.

Assets are depreciated in full in the year of purchase.

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**1. Statement of Accounting Policies (Continued)****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 a 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 the 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 applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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 the notes. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. 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 any impairment.

Stocks

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**1. Statement of Accounting Policies (Continued)****Pension Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer 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.

Local Government Pension Scheme

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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**1. Statement of Accounting Policies (Continued)****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+B169.

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 grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education and Skills Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

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, assumptions and judgements

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 the notes, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuer's report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
ESFA - Capital Grant	-	-	8,960	8,960	9,013
Other Government - Capital grants	-	-	-	-	-
Other - Capital grants	-	-	-	-	-
Miscellaneous donations	1,647	-	-	1,647	1,959
Gifts in kind	-	-	-	-	4,375
	<u>1,647</u>	<u>-</u>	<u>8,960</u>	<u>10,607</u>	<u>15,347</u>
2021 total	<u>1,959</u>	<u>4,375</u>	<u>9,013</u>	<u>15,347</u>	

3. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	1,688,720	1,688,720	1,533,750
Other DfE/ESFA grants				
Pupil premium	-	106,281	106,281	110,982
UIFSM	-	63,020	63,020	66,468
Teachers Pay Grant	-	2,018	2,018	21,206
Teachers Pension Grant	-	5,702	5,702	59,920
Supplementary Grant	-	21,069	21,069	-
Sports Funding	-	19,510	19,510	19,510
Other ESFA grants	-	7,074	7,074	5,273
Other DfE Group grants	-	-	-	-
	<u>-</u>	<u>1,913,394</u>	<u>1,913,394</u>	<u>1,817,109</u>
Other Government Grants				
LA funded statements	-	108,939	108,939	63,157
CCC early years funding	-	144,731	144,731	132,522
CCC other funding	-	-	-	-
Other government grants	-	-	-	-
	<u>-</u>	<u>253,670</u>	<u>253,670</u>	<u>195,679</u>
Exceptional government funding				
COVID-19 additional funding (ESFA/DfE)				
Catchup premium	-	-	-	32,320
National tutoring programme	-	10,732	10,732	-
Recovery premium grant	-	10,875	10,875	-
Coronavirus exceptional support	-	-	-	232
Workforce fund	-	3,114	3,114	1,022
COVID-19 additional funding (non - ESFA/DfE)				
Other COVID-19 funding	-	-	-	-
	<u>-</u>	<u>24,721</u>	<u>24,721</u>	<u>33,574</u>
Catering	24,911	-	24,911	19,296
School trips income	-	24,823	24,823	3,668
School fund income	-	-	-	390
Other educational income	12,897	14,702	27,599	23,757
	<u>37,808</u>	<u>2,231,310</u>	<u>2,269,118</u>	<u>2,093,473</u>
2021 total	<u>24,681</u>	<u>2,068,792</u>	<u>2,093,473</u>	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**Exceptional government funding**

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy received £10,732 in respect of the National tutoring programme. This has been used to cover internal staffing costs and bought in support to provide focused tutoring intervention to support catch-up for lost education due to the Covid-19 pandemic.

The academy received £6,453 in respect of the Recovery Premium Grant. This has been used to cover internal staffing costs, resources and additional support costs to help deliver support for disadvantaged pupils.

The Workforce claim funds offered financial support for staffing pressures during the year. A claim for these funds was only undertaken after all other existing measures to staff and resource had been exhausted. The funds received covered teacher absence.

4. Other Trading Activities	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Other Income	24,878	-	24,878	21,787
Hire of facilities - lettings	9,434	-	9,434	5,128
Staff insurance receipts	4,080	-	4,080	5,990
General insurance receipts	-	-	-	-
General insurance receipts - trips	-	-	-	-
Staff consultancy	200	-	200	-
	<u>38,592</u>	<u>-</u>	<u>38,592</u>	<u>32,905</u>
2021 total	<u>32,905</u>	<u>-</u>	<u>32,905</u>	
5. Investment Income	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Bank interest receivable	24	-	24	18
Other interest receivable	-	-	-	-
	<u>24</u>	<u>-</u>	<u>24</u>	<u>18</u>
2021 total	<u>18</u>	<u>-</u>	<u>18</u>	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6. Expenditure	Staff	Non Pay Expenditure		Total	Total
	Costs	Premises	Other Costs	2022	2021
	£	£	£	£	£
Cost of other trading activities	-	-	9,499	9,499	677
Academy's educational operations					
Direct costs	1,743,645	-	186,673	1,930,318	1,851,327
Allocated support costs	284,673	111,982	166,120	562,775	490,854
	<u>2,028,318</u>	<u>111,982</u>	<u>352,793</u>	<u>2,493,093</u>	<u>2,342,181</u>
	<u>2,028,318</u>	<u>111,982</u>	<u>362,292</u>	<u>2,502,592</u>	<u>2,342,858</u>
2021 total	<u>1,948,066</u>	<u>95,961</u>	<u>298,831</u>	<u>2,342,858</u>	

Net income/(expenditure) for the period includes:		2022	2021
		£	£
Depreciation		123,144	121,796
(Gain)/loss on disposal of fixed assets		-	-
Operating leases		2,762	2,762
Fees payable to current auditor	- audit of the financial statements	5,585	5,525
	- other assurance services	1,325	1,495
	- other services	3,985	4,275
		<u>3,985</u>	<u>4,275</u>

7. Cost of Other Trading activities	Unrestricted	Restricted	Total	Total
	Funds	Funds	2022	2021
	£	£	£	£
Maintenance of premises and equipment	7,800	-	7,800	-
Letting expenses	1,699	-	1,699	677
	<u>9,499</u>	<u>-</u>	<u>9,499</u>	<u>677</u>
2021 total	<u>677</u>	<u>-</u>	<u>677</u>	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	1,743,645	1,743,645	1,685,704
Depreciation	-	105,861	105,861	105,393
Educational supplies	-	67,480	67,480	50,134
Staff development	-	4,255	4,255	4,069
Educational consultancy	-	9,077	9,077	6,027
Other direct costs	-	-	-	-
	<u>-</u>	<u>1,930,318</u>	<u>1,930,318</u>	<u>1,851,327</u>
Support Costs - educational operations				
Support staff costs	27,414	257,259	284,673	262,362
Depreciation	-	17,283	17,283	16,403
Maintenance of premises and equipment	-	31,653	31,653	27,404
Maintenance - CIF projects	-	-	-	-
Rates and water	-	21,089	21,089	15,972
Heat and light	-	29,345	29,345	23,866
Insurance	-	12,612	12,612	12,316
Transport	-	1,785	1,785	-
Technology costs	-	23,401	23,401	29,506
Catering expenses	16,133	31,527	47,660	31,529
School trips & activities	-	24,897	24,897	2,394
School fund expenditure	-	-	-	220
Other support costs	-	12,701	12,701	17,778
	<u>43,547</u>	<u>463,552</u>	<u>507,099</u>	<u>439,750</u>
Support Costs - governance				
Audit fees	-	5,585	5,585	5,525
Accountancy and assurance fees	-	6,510	6,510	6,170
Trustees' training and expenses	-	-	-	-
Legal fees	-	-	-	-
Professional fees	-	15,358	15,358	13,123
CIF loan interest	-	223	223	286
Net finance costs in respect of defined benefit pension schemes	-	28,000	28,000	26,000
	<u>-</u>	<u>55,676</u>	<u>55,676</u>	<u>51,104</u>
Total direct and support costs	<u>43,547</u>	<u>2,449,546</u>	<u>2,493,093</u>	<u>2,342,181</u>
2021 total	<u>28,924</u>	<u>2,313,257</u>	<u>2,342,181</u>	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9. Staff

a. Staff costs

	2022	2021
	£	£
Staff costs during the period were:		
Wages and salaries	1,444,263	1,386,287
Social security costs	114,031	121,477
Operating costs of defined benefit pension schemes	442,807	397,571
Apprenticeship levy	-	-
	<u>2,001,101</u>	<u>1,905,335</u>
Supply staff costs	27,217	42,731
Staff restructuring costs	-	-
Staff seconded in / out of the organisation	-	-
	<u>2,028,318</u>	<u>1,948,066</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

b. Severance payments

The academy trust paid no severance payments in the year, disclosed in the following bands:

	2022
	No
0 - £25,000	-
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-
	<u>-</u>

c. Special staff severance payments - Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £Nil). Individually, the payments were £Nil (2021: £Nil).

d. Staff numbers

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

	2022	2021
	No	No
Charitable Activities		
Management	4	4
Teachers	21	21
Catering	3	5
Administration and support	42	39
	<u>70</u>	<u>69</u>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

e. Higher paid staff

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

	2022	2021
	No	No
£70,000 to £74,999	-	-
£75,000 to £79,999	1	1
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2022 the employer's pension contributions in respect of this employee amounted to £18,476 (2021: £17,991).

f. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was:

	2022	2021
	£	£
Senior Management Team	339,228	334,905
Other Staff Trustees	-	-
	<u>339,228</u>	<u>334,905</u>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10. Transfers Between Funds

	2022
	£
Restricted general funds	
General Annual Grant (GAG)	
Unrestricted sundry income inc. feed in tariffs to GAG fund	38,542
Restricted catering costs covered by GAG	(33,510)
UIFSM in year surplus moved to GAG	11,431
Designated school funds surplus moved to GAG funds	-
Designated lettings fund surplus to GAG	5,094
Designated catering fund overspend covered by GAG funds	(18,635)
To capital projects during the year	-
	<hr/>
	2,922
Restricted catering costs covered by GAG	33,510
UIFSM in year surplus moved to GAG	(11,431)
Pupil Premium and sports funding contributions to trips	(2,830)
School Funds & Trips	
Contributions to school trips	2,830
School funds costs income moved to GAG to cover costs	-
	<hr/>
	25,001
Restricted fixed asset funds	
Fixed assets used for charitable purposes	
Purchases from ESFA formula grant	9,457
Purchases from capital donations	-
	<hr/>
	9,457
ESFA formula grant to Fixed assets fund	
Purchases of fixed assets used for charitable purposes	(9,457)
ESFA condition improvement funds	
Unrestricted general funds returned due to reduction in CIF loan of the CIF project	-
	<hr/>
	-
Unrestricted Funds	
Unrestricted general funds	
Unrestricted general funds returned due to reduction in CIF loan of the CIF project	-
Designated lettings fund bungalow repairs covered by unrestricted funds	(5,160)
Unrestricted sundry income inc. feed in tariffs to GAG fund	(38,542)
	<hr/>
	(43,702)
Designated lettings fund surplus to GAG	(5,094)
Designated lettings fund bungalow repairs covered by unrestricted funds	5,160
Designated school funds surplus moved to GAG funds	-
Designated catering fund overspend covered by GAG funds	18,635
	<hr/>
	(25,001)

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**11. Related Party Transactions – 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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees.

The value of Trustees' remuneration and other benefits for the period was as follows:

H Davies (principal and Trustee)		
Remuneration	£75,000 to £79,999	(2021: £75,000 to £79,999)
Employer's pension contributions	£15,000 to £19,999	(2021: £15,000 to £19,999)
M A Williamson (staff Trustee)		
Remuneration	£55,000 to £59,999	(2021: £55,000 to £59,999)
Employer's pension contributions	£10,000 to £14,999	(2021: £10,000 to £14,999)
E Garbutt (staff Trustee)		
Remuneration	£55,000 to £59,999	(2021: £55,000 to £59,999)
Employer's pension contributions	£10,000 to £14,999	(2021: £10,000 to £14,999)
R Simpson (staff Trustee)		
Remuneration	£5,000 to £9,999	(2021: £10,000 to £14,999)
Employer's pension contributions	£0 to £4,999	(2021: £0 to £4,999)

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil were reimbursed to no Trustees in respect of their teaching roles (2021: £Nil to no Trustees).

12. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims for negligent acts, errors or omissions occurring whilst on Academy business. The insurance for the year ended 31 August 2022 provides cover up to £5,000,000 (2021: £5,000,000) on any one claim and the cost for the year was £117 (2021: £114). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13. Tangible Fixed Assets	Long Leasehold Land & Buildings	Plant & Machinery	Furniture Fittings & Equipment	ICT Equipment	Total
Cost	£	£	£	£	£
As at 1 September 2021	3,245,169	696,718	37,144	109,910	4,088,941
Additions	-	-	-	9,457	9,457
Disposals	-	-	-	-	-
As at 31 August 2022	<u>3,245,169</u>	<u>696,718</u>	<u>37,144</u>	<u>119,367</u>	<u>4,098,398</u>
Depreciation					
As at 1 September 2021	583,257	352,795	27,209	100,318	1,063,579
Charge in year	70,389	39,199	3,714	9,842	123,144
Disposals	-	-	-	-	-
As at 31 August 2022	<u>653,646</u>	<u>391,994</u>	<u>30,923</u>	<u>110,160</u>	<u>1,186,723</u>
Net book values					
As at 31 August 2022	<u>2,591,523</u>	<u>304,724</u>	<u>6,221</u>	<u>9,207</u>	<u>2,911,675</u>
As at 1 September 2021	<u>2,661,912</u>	<u>343,923</u>	<u>9,935</u>	<u>9,592</u>	<u>3,025,362</u>

Valuation Details

The leasehold land and buildings and the plant and machinery integral to the building include valuations of £2,564,511 and £527,989 respectively made in 2012 by AT Snape RICS Registered Valuer, who is independent of the charitable company.

The basis of valuation for the assets was Existing Use Value using a Depreciated Replacement Cost approach.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14. Stock	2022	2021
	£	£
Stationery	6,000	2,000
Cleaning	500	200
Clothing	2,000	500
	<u>8,500</u>	<u>2,700</u>
15. Debtors	2022	2021
	£	£
Trade debtors	1,683	1,157
VAT recoverable	6,964	10,865
Prepayments	24,708	35,215
Accrued income	23,877	19,822
Other debtors	5,077	2,508
	<u>62,309</u>	<u>69,567</u>
16. Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	35,389	34,673
Taxation and social security	31,120	27,942
Sundry creditors	36,379	33,804
Accruals	38,564	21,472
Deferred income	54,964	53,070
CIF Loan	2,622	2,559
	<u>199,038</u>	<u>173,520</u>
Deferred Income	2022	2021
	£	£
Accruals and deferred income includes:		
Deferred income at 1 September 2021	53,070	46,405
Resources deferred in the year	54,964	53,070
Amounts released from previous years	(53,070)	(46,405)
Deferred income at 31 August 2022	<u>54,964</u>	<u>53,070</u>
Deferred income comprises:		
ESFA grant for rates 1 September 2022 to 31 March 2023	3,077	
Universal Infant Free School Meals - Provisional allocation 2022/23	37,396	
SEN funding in relation to the next academic year	14,491	
	<u>54,964</u>	
17. Creditors: Amounts falling due greater than one year	2022	2021
	£	£
CIF Loan	5,433	8,054
	<u>5,433</u>	<u>8,054</u>

The Academy as part of the 2019/20 condition improvement fund project received funding in the form of a CIF loan. This loan is repayable over 5 years and attracts an interest rate of 2.01%, the first repayment via an abatement of GAG funding was in September 2020.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Funds	Balance at 01-Sep 2021 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2022 £
Restricted General Funds					
General Annual Grant (GAG)	(171,810)	1,688,720	(1,614,256)	2,922	(94,424)
Pupil premium	-	106,281	(103,874)	(2,407)	-
UIFSM	-	63,020	(51,589)	(11,431)	-
Teachers Pay Grant	-	2,018	(2,018)	-	-
Teachers Pension Grant	-	5,702	(5,702)	-	-
Supplementary Grant	-	21,069	(21,069)	-	-
Sports Funding	-	19,510	(19,087)	(423)	-
Other ESFA grants	-	7,074	(7,074)	-	-
Catch-up premium	14,232	-	(14,232)	-	-
Exceptional government funding	-	24,721	(24,721)	-	-
LA funded statements	-	108,939	(108,939)	-	-
CCC Early Years	-	144,731	(144,731)	-	-
Other government grants	-	-	-	-	-
Restricted catering	-	-	(33,510)	33,510	-
School Trips	(556)	24,823	(24,898)	2,830	2,199
School Funds	-	-	-	-	-
Gifts in Kind	-	-	-	-	-
Other educational income	-	14,702	(14,702)	-	-
	<u>(158,134)</u>	<u>2,231,310</u>	<u>(2,190,402)</u>	<u>25,001</u>	<u>(92,225)</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	3,025,362	-	(123,144)	9,457	2,911,675
ESFA formula capital	9,013	8,960	-	(9,457)	8,516
ESFA condition improvement funds - 19/20	-	-	-	-	-
ESFA condition improvement funds - 1	-	-	-	-	-
ESFA condition improvement funds - 2	-	-	-	-	-
Other capital donations	-	-	-	-	-
	<u>3,034,375</u>	<u>8,960</u>	<u>(123,144)</u>	<u>-</u>	<u>2,920,191</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(1,473,000)	-	(136,000)	1,379,000	(230,000)
Total Restricted Funds	<u>1,403,241</u>	<u>2,240,270</u>	<u>(2,449,546)</u>	<u>1,404,001</u>	<u>2,597,966</u>
Unrestricted Funds					
Unrestricted general funds	174,164	43,726	-	(43,702)	174,188
Designated lettings fund	-	9,434	(9,500)	66	-
Designated school fund	-	-	-	-	-
Designated catering fund	-	24,911	(43,546)	18,635	-
Total Unrestricted Funds	<u>174,164</u>	<u>78,071</u>	<u>(53,046)</u>	<u>(25,001)</u>	<u>174,188</u>
Total Funds	<u>1,577,405</u>	<u>2,318,341</u>	<u>(2,502,592)</u>	<u>1,379,000</u>	<u>2,772,154</u>
Net free reserves position					
General Annual Grant (GAG)	(171,810)	1,688,720	(1,614,256)	2,922	(94,424)
Unrestricted general funds	174,164	78,071	(53,046)	(25,001)	174,188
	<u>2,354</u>	<u>1,766,791</u>	<u>(1,667,302)</u>	<u>(22,079)</u>	<u>79,764</u>

The movement in the financial year on the net free reserves position was:

77,410

Details of transfers are shown in Note 10.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2022.

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

General Annual Grant (GAG) fund

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 (ESFA).

Pupil premium fund

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

Teachers pay and pension grants

Teachers' pay grant is provided to support teacher pay awards. Teachers' pension grant is provided to support the increase in employer contributions to the Teachers' Pension Scheme from September 2019.

Catch-up premium

This represents funding paid by the DfE to support pupils and disadvantaged young people catch up on missed education because of coronavirus (COVID-19)

Defined benefit pension scheme fund

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

Local authority funded statements

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

CCC Early Years

This represents funding from the Local Authority to pay for free nursery education for preschool students.

UIFSM

This represents funding from the DfE to fund school meals for all infant students.

ESFA condition improvement funds

This represents monies from the ESFA in relation to capital projects.

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets note.

Funds in Deficit

The General Annual Grant fund was in deficit at the year-end which is mainly due to contributions towards capital projects in previous years. The Academy is looking to reduce the General annual grant fund deficit through cost savings or possibly transferring a balance of unrestricted funds that is at the Academy's disposal.

The pension reserve fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. The Academy has previously entered into an agreement effective from 01 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 01 April 2020.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

	Balance at 01-Sep 2020 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2021 £
Restricted General Funds					
General Annual Grant (GAG)	(164,510)	1,533,750	(1,544,500)	3,450	(171,810)
Pupil premium	-	110,982	(110,538)	(444)	-
UIFSM	-	66,468	(63,903)	(2,565)	-
Teachers Pay Grant	-	21,206	(21,206)	-	-
Teachers Pension Grant	-	59,920	(59,920)	-	-
Sports Funding	-	19,510	(19,510)	-	-
Other ESFA grants	-	5,273	(5,273)	-	-
Catch-up premium	-	32,320	(18,088)	-	14,232
Exceptional government funding	-	1,254	(1,254)	-	-
LA funded statements	-	63,157	(63,157)	-	-
CCC Early Years	-	132,522	(132,522)	-	-
Other government grants	-	-	-	-	-
Restricted catering	-	-	(29,059)	29,059	-
School Trips	(2,274)	3,668	(2,394)	444	(556)
School Funds	-	390	(390)	-	-
	-	4,375	(4,375)	-	-
Other educational income	-	18,372	(18,372)	-	-
	<u>(166,784)</u>	<u>2,073,167</u>	<u>(2,094,461)</u>	<u>29,944</u>	<u>(158,134)</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	3,147,158	-	(121,796)	-	3,025,362
ESFA formula capital	-	9,013	-	-	9,013
ESFA condition improvement funds - 19/20	-	-	-	-	-
ESFA condition improvement funds - 1	-	-	-	-	-
ESFA condition improvement funds - 2	-	-	-	-	-
Other capital donations	-	-	-	-	-
	<u>3,147,158</u>	<u>9,013</u>	<u>(121,796)</u>	<u>-</u>	<u>3,034,375</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(1,255,000)	-	(97,000)	(121,000)	(1,473,000)
Total Restricted Funds	<u>1,725,374</u>	<u>2,082,180</u>	<u>(2,313,257)</u>	<u>(91,056)</u>	<u>1,403,241</u>
Unrestricted Funds					
Unrestricted general funds	174,146	35,139	-	(35,121)	174,164
Designated lettings fund	-	5,128	(677)	(4,451)	-
Designated school fund	-	-	-	-	-
Designated catering fund	-	19,296	(28,924)	9,628	-
Total Unrestricted Funds	<u>174,146</u>	<u>59,563</u>	<u>(29,601)</u>	<u>(29,944)</u>	<u>174,164</u>
Total Funds	<u>1,899,520</u>	<u>2,141,743</u>	<u>(2,342,858)</u>	<u>(121,000)</u>	<u>1,577,405</u>
Net free reserves position					
General Annual Grant (GAG)	(164,510)	1,533,750	(1,544,500)	3,450	(171,810)
Unrestricted general funds	174,146	59,563	(29,601)	(29,944)	174,164
	<u>9,636</u>	<u>1,593,313</u>	<u>(1,574,101)</u>	<u>(26,494)</u>	<u>2,354</u>

The movement in the financial year on the net free reserves position was:

(7,282)

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

19. Analysis of Net Assets Between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	2,911,675	2,911,675
Current assets	174,188	112,246	8,516	294,950
Current liabilities	-	(199,038)	-	(199,038)
Non-current liabilities	-	(5,433)	-	(5,433)
Pension scheme liability	-	(230,000)	-	(230,000)
Total Net Assets	174,188	(322,225)	2,920,191	2,772,154

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	3,025,362	3,025,362
Current assets	174,164	23,440	9,013	206,617
Current liabilities	-	(173,520)	-	(173,520)
Non-current liabilities	-	(8,054)	-	(8,054)
Pension scheme liability	-	(1,473,000)	-	(1,473,000)
Total Net Assets	174,164	(1,631,134)	3,034,375	1,577,405

20. Long-term commitments, including under operating leases

Operating Leases

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Assets other than land & buildings		
Amounts due within one year	2,762	2,762
Amounts due between one and five years	1,256	4,019
Amounts due after five years	-	-
	<u>4,018</u>	<u>6,781</u>

Land and property leases

The leasehold land and buildings are subject to a 125 year lease with Cumbria County Council. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

21. Capital Commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	-	-
	<u>-</u>	<u>-</u>

22. Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**23. Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2022	2021
	£	£
Teachers' Pension Scheme	25,519	25,009
Local Government Pension Scheme	10,259	8,570
	<u>35,778</u>	<u>33,579</u>

The total pension costs to the Academy during the year ended 31 August and included in staff costs were as follows:

	2022	2021
	£	£
Teachers' Pension Scheme	214,740	215,488
Local Government Pension Scheme	100,059	91,575
Local Government Pension Scheme deficit recovery	20,008	19,508
LGPS current service cost/contributions adjustment	108,000	71,000
	<u>442,807</u>	<u>397,571</u>

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**23. Pensions and Similar Obligations (continued)**

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £214,740 (2021: £215,488).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2022	2021
	£	£
Employer's contributions	120,067	111,083
Employees' contributions	28,496	26,244
Total contributions	<u>148,563</u>	<u>137,327</u>

The agreed contribution rates for future years are 19.8% for employers, and 5.5% to 12.5% for employees depending on pay bands.

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

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £19,300 for 2020/21, £19,800 for 2021/22 and £20,300 in 2022/23.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.30%	4.30%
Rate of increase for pensions in payment / inflation	2.90%	2.90%
Discount rate for scheme liabilities	4.30%	1.70%
Inflation assumption (CPI)	2.80%	2.80%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	22.6	22.7
Females	25.3	25.3
<i>Retiring in 20 years</i>		
Males	24.1	24.3
Females	27.1	27.2

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

	At 31 August 2022		At 31 August 2021	
	Deficit	Change	Deficit	Change
Discount rate + 0.1%	181,000	(49,000)	1,397,000	(76,000)
Discount rate - 0.1%	280,000	50,000	1,551,000	78,000
Mortality assumption - 1 year increase	277,000	47,000	1,587,000	114,000
Mortality assumption - 1 year decrease	184,000	(46,000)	1,363,000	(110,000)
CPI rate + 0.1%	280,000	50,000	1,550,000	77,000
CPI rate - 0.1%	181,000	(49,000)	1,398,000	(75,000)
Pay growth + 0.1%	237,000	7,000	1,485,000	12,000

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**23. Pensions and Similar Obligations (continued)****Local Government Pension Scheme (continued)**

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2022 £	Fair value at 31 August 2021 £
Equity instruments		
Equities	702,000	832,000
Debt instruments		
Government bonds	297,000	365,000
Other bonds	-	-
Property	203,000	161,000
Cash/liquidity	65,000	81,000
Other	823,000	683,000
Total Market Value of Assets	2,090,000	2,122,000
Present value of scheme liabilities		
Funded	(2,320,000)	(3,595,000)
Unfunded	-	-
Surplus / (deficit) in the scheme	(230,000)	(1,473,000)

The actual return on the scheme assets in the year was -£150,000 (2021: £296,000).

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

Amounts recognised in the statement of financial activities	2022	2021
	£	£
Current service cost (net of employee contributions)	(229,000)	(183,000)
Net interest cost	(24,000)	(22,000)
Administration expenses	(4,000)	(4,000)
Past service (cost)/gain	-	-
Benefit changes	-	-
Gain/(loss) on curtailment	-	-
Gain/(loss) on settlement	-	-
Total operating charge	(257,000)	(209,000)
Other recognised gains and (losses)	2022	2021
	£	£
Remeasurements (liabilities)	1,566,000	(386,000)
Remeasurements (assets)	(187,000)	265,000
Total amount recognised in the SOFA	1,379,000	(121,000)

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Changes in the deficit in the year:	2022	2021
	£	£
Deficit in scheme at 1 September 2021	1,473,000	1,255,000
Current service cost	229,000	183,000
Interest cost	61,000	54,000
Employer contributions	(121,000)	(112,000)
Past service (cost)/gain	-	-
Actuarial (gain)/loss - Remeasurements	(1,379,000)	121,000
Administration expenses	4,000	4,000
Interest income	(37,000)	(32,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
Deficit at 31 August 2022	230,000	1,473,000
Changes in the present value of defined benefit obligations were as follows:	2022	2021
	£	£
At 01 September 2021	(3,595,000)	(2,959,000)
Current service cost	(229,000)	(183,000)
Interest cost	(61,000)	(54,000)
Employee contributions	(29,000)	(27,000)
Past service (cost)/gain	-	-
Actuarial gain/(loss) - Remeasurements	1,566,000	(386,000)
Benefits / transfers paid	28,000	14,000
Plan introductions, benefit changes, curtailments and settlements	-	-
Benefit obligation at 31 August 2022	(2,320,000)	(3,595,000)
Changes in the fair value of Academy's share of scheme assets:	2022	2021
	£	£
At 01 September 2021	2,122,000	1,704,000
Interest income	37,000	32,000
Administration expenses	(4,000)	(4,000)
Actuarial gain/(loss) - Remeasurements	(187,000)	265,000
Employer contributions	121,000	112,000
Employee contributions	29,000	27,000
Benefits / transfers paid	(28,000)	(14,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
Scheme assets at 31 August 2022	2,090,000	2,122,000
* Past service cost includes:		
McCloud impact	-	-
GMP indexation	-	-
	-	-

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**24. 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 the trustees have an interest.

All transactions involving such organisations are conducted in accordance with the requirements of the ATH, 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.

Expenditure Related Party Transactions

The following related party transactions took place in the period of account:

The Academy Trust employed family members of the Trustees.

- The Trust undertook proper recruitment procedures where necessary.
- The salaries paid were appropriate to the individual's skills and experience and the salary rates paid in accordance with the Academy's pay scales.
- In entering into the transaction the Trust has complied with the requirements of the Academy Trust Handbook 2021.

Related party transactions with staff Trustees are detailed in an earlier note.

25. Events after the end of the reporting period

The Academy has obtained a valuation of its LGPS liability at the year end. However, since the year end with further economic turmoil the Trustees believe that the rate of inflation used would be higher if the valuation was to be performed using this information. No allowance has been made by the actuary in the figures provided in line with the accounting requirements for events since the year end and the impact of such movements will emerge as part of the 31 August 2023 figures. The Trustees believe obtaining further information of the financial effect on the LGPS liability to the date of approval of the accounts would not assist the users understanding and the assumptions are volatile at present so would not be cost effective for the Academy Trust.